

# **ReVive • ReNew • ReInvigorate • ReImagine**

**Texas Annual Conference  
2023**

Pre-Conference Journal



Texas Annual Conference Delegates,

I greet you in the name of Jesus Christ, the one who inspires us to love one another extravagantly, listen to one another deeply and respond to one another with generous grace.

I am excited for Annual Conference 2023 and looking forward to our time together, our first!! I am so very grateful to be a part of all of the great things taking place in the Texas Annual Conference and across the United Methodist Church. God is indeed doing a new thing throughout the Conference, The United Methodist Church and each of our lives. The Spirit is moving!!!

This year's Conference will be held at the Hilton Americas May 28 through 31 and our theme Revive, Renew, Reinvigorate, Reimagine so aptly describes the anticipated excitement as we shape a future together filled with the promises of God.

In the pages that follow, you will read reports that will be before us and other important information. Everything you need as a delegate can be found on our webpage: including registration, hotel, conference schedule, child-care and preconference meetings. Information will be updated regularly as we move closer to Annual Conference 2023. You can also find this information on our guidebook app which can be downloaded using [this link](#).

I cannot wait for us to be Revived, Renewed, Reinvigorated, and together Reimagine our future with hope, and bold courage.

Grace and peace,

Cynthia Fierro Harvey

## **PRE-CONFERENCE ZOOM MEETINGS 2023**

To log in to one of the pre-conference zoom meetings, go to:

<https://txcumc.zoom.us/j/83657490176>

- **Sunday, April 23 at 6:30 pm** for Central South, East & West Districts  
(This session will include Spanish Translation & Closed Captioning)
- **Monday, April 24 at 6:30 pm** for Northwest, South & Southwest Districts
- **Tuesday, April 25 at 3:00 pm** for Central North, North & Southeast Districts

\* If delegates are unable to attend the Zoom Meeting for their district,  
they may attend the webinar on one of the other nights

## **TEXAS ANNUAL CONFERENCE 2023**

to be held at the Hotel Americas

May 28-31, 2023

Cynthia Fierro Harvey, Bishop

## **ALL CLERGY & LAY REGISTRATION**

Pre-register on-line before May 5, 2023

<https://www.shelbygiving.com/App/Form/118c5f0d-e3e2-43ca-8d51-e96a0f9129af>

### **Sunday, May 28**

Opening Worship and Episcopal Address 7:00 pm

### **Monday, May 29**

Meeting of the Clergy 8:00 am

Meeting of the Laity 10:00 am

Service of Remembrance 1:30 pm

### **Tuesday, May 30**

Service of Retirement 11:30 am

Service of Ordination & Commissioning 7:00 pm (FUMC Houston, Downtown)

### **Wednesday, May 31**

Morning Worship 9:30 am

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## ANNUAL CONFERENCE PRELIMINARY ANNOUNCEMENTS

Please note that these are the announcements as of our publication date. The conference agenda APP will contain changes and/or additions.



**The Cross Connection** is the e-newspaper of the Texas Annual Conference. The Cross Connection and the United Methodist Reporter are sources of local, national and international religious news. For subscription information contact the Communications Department, 713-521-9383 or by email: [smartin@txcumc.org](mailto:smartin@txcumc.org).



**Our TAC Display Fair** has 31 showcases of many of our ministries throughout the conference. You will be surprised and amazed by the various areas of ministry and mission that our TAC churches are involved in. Please come and stroll through this year's display booths on the 4<sup>th</sup> floor of the Hotel Americas to view what our churches have done, are doing, and are planning for the future in ministries.



**Have you lost something? Did you find something?** If either case pertains to you, please go to the Information Center on Level 4 where you will find our Lost and Found. May what you lost be found, or maybe what you found is lost? Go check on your items before you forget about them.



**Did you know that you can get Information for free at the Texas Annual Conference?** Our Information Booth is set-up for your convenience to answer questions or help you find what you are looking for. Our Information Booth will be located on the 4<sup>th</sup> Level of the Hotel Americas. Stop by! We will be glad to meet you, if it is your first-time attending conference, and glad to see you again, if you have attended conference before.

## DIRECTIONS AND MAP TO THE HILTON AMERICAS-HOUSTON

### DIRECTIONS FROM I-45 NORTH:

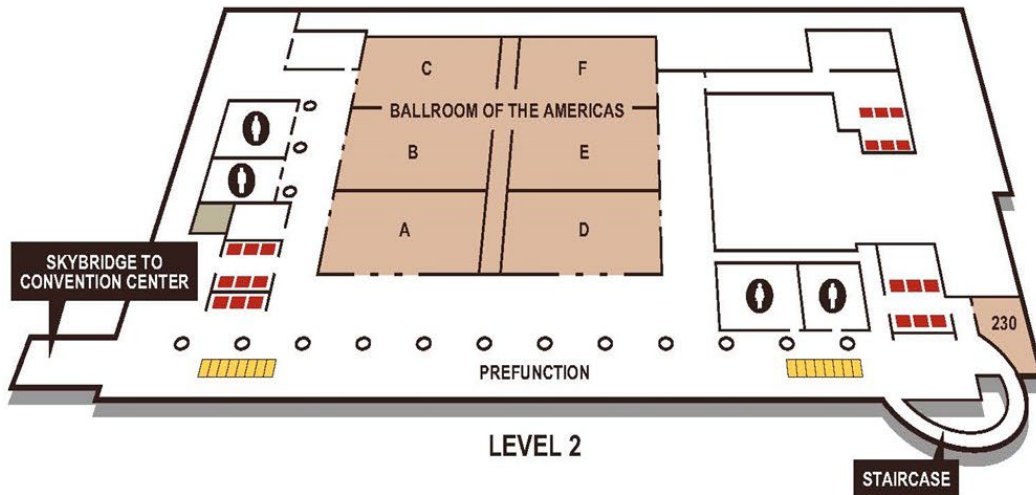
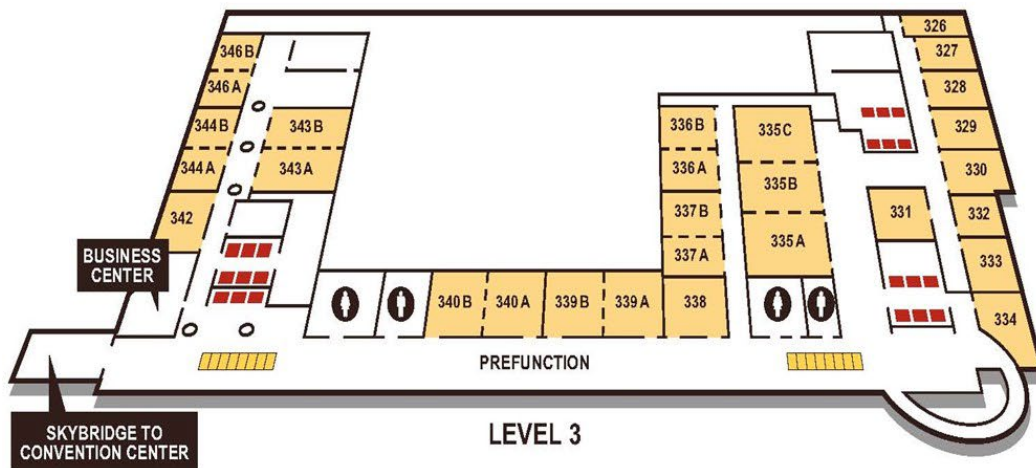
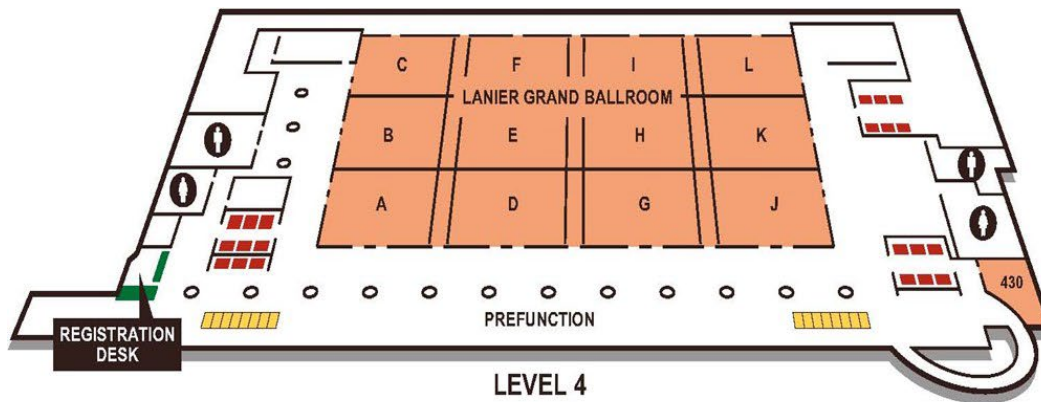
Take I-45 South to McKinney St., merging onto McKinney St. right onto La Branch. Go down 2 blocks to Dallas and turn left on Dallas. Go down 3 blocks and the hotel will be on the right.

### DIRECTIONS FROM I-45 SOUTH:

Take I-45 North to downtown/Scott Street split, exit on to Pease Street. Turn right on to Austin Street, continue to Dallas Street. Turn right on to Dallas Street and go down 3 blocks and the hotel will be on the right.



# HILTON AMERICAS-HOUSTON FLOORPLAN



Meeting/Function Rooms Escalator Elevator Coat Room



## RESTAURANTS – DOWNTOWN



# CONFERENCE RULES & STRUCTURE

These are the new rules from the “Discipling Document” and adopted at the Texas Annual Conference 2020  
Adopted at Texas Annual Conference 2021

## OUR LIFE TOGETHER

### *Preface to the Texas Annual Conference Rules and Structure*

From the very beginning Methodists have believed in both organizing for mission and in the idea of “think and let think.” This has translated over into distinct expressions detailing how we live together in the most basic of all Methodist connections, the annual conference. The following rules and structures are thus intended not to restrict or control the free expression of any, but rather to guide us into how we may live out our shared faith and witness within the Texas Annual Conference. They serve as a further delineation of the ideals established in our denominational *Book of Discipline* and are offered in hopes of strengthening our core values as an annual conference and our common mission of making disciples of Jesus Christ so that the world might be transformed to the glory of God.

### *Our Core Values*

In the pursuit of our calling and mission as a conference, we affirm the following values of discipleship:

- Diligent study of scripture
- Fervent prayer
- Radical Hospitality
- Passionate Worship
- Faith Forming Small Groups
- Risk Taking Missions
- Extravagant Generosity
- Connectional Ministry

## SECTION 1: GENERAL

- I. The Texas Annual Conference (Conference) establishes Rules by which it operated (Rules) and its Structure for Ministry under authority of paragraph 610 of *The Book of Discipline of the United Methodist Church*, 2019 (BOD or Discipline)
- II. The Structure for Ministry and Rules describe Conference Ministries and the procedures by which they operate.
- III. Any conflict between the Structure for Ministry and Rules and *The Book of Discipline of the United Methodist Church* shall be decided in favor of *The Book of Discipline*.

## SECTION 2: OFFICERS

- I. The Officers of the Texas Annual Conference shall be the Bishop, Assistant to the Bishop, Secretary, Fiscal Officer, Statistician, and Lay Leader. (BOD 603.9a)
- II. The Secretary and the Statistician shall be elected at the last session of each quadrennium to serve during the next quadrennium. (BOD 603.7) The minutes of each business session shall be kept on file at Conference headquarters.
- III. A Chancellor(s) shall be nominated by the Bishop and elected by the Conference (BOD 603.8)

- IV. The Treasurer/Director of Administration shall be elected by the Conference, on nomination of the Conference Council on Finance and Administration, at the first session of the Conference after the quadrennial session of the General Conference. Upon vacancy, the Conference Council on Finance and Administration shall fill the position until the next session of the Texas Annual Conference. (BOD 619)

### **SECTION 3: STRUCTURE FOR MINISTRY IN THE TEXAS ANNUAL CONFERENCE**

- I. Conference Leadership Team
- A. A Conference Leadership Team will be responsible for implementing decisions approved by the Annual Conference in accordance with Conference Mission, Vision, and Core Beliefs. The Conference Leadership Team creates a culture of accountability within the Conference by conducting an ongoing process of goal setting, strategic planning, and annual reporting to the Annual Conference.
- B. The Conference Leadership Team will be comprised of:
1. The Bishop (with voice, non-voting)
  2. Members (with voice and vote)
    - a. One District Superintendent from each of the Districts
    - b. The District Leadership Team Chairperson or DLT representative from each of the Districts
    - c. Four At-Large Members
    - d. The Conference Lay Leader
  3. Ex-Officio Membership (with voice, non-voting)
    - a. The Director of the Center for Leadership Formation
    - b. The Director of the Center for Connectional Resources
    - c. The Conference Director of Communications
    - d. The Assistant to the Bishop
- II. Conference Ministry Centers – There will be two (2) Conference Ministry Centers
- A. The Center for Leadership Formation – The purpose of this center is to create an environment of support and accountability that continuously moves lay and clergy leadership of the Annual Conference toward excellence.
- B. The Center for Connectional Resources – The purpose of this center is to provide fiscal oversight, property management, and archives and records to undergird the mission and ministry of the Texas Annual Conference.

### **SECTION 4: NOMINATIONS**

- I. The Nominations Committee – The Nominations Committee for the Texas Annual Conference of the UMC shall consist of the Assistant to the Bishop, the Dean of the Cabinet, and one representative from each of the nine (9) districts. The District Representatives shall consist of 3 clergy, 3 lay men and 3 lay women. The Nominations Committee will reflect the diversity of the Texas Annual Conference with regard to ethnicity, age, gender, geography, and church size. The Ex-Officio members with voice and vote shall consist of the Directors of the Centers and the Conference Lay Leader. The chair of the Nominations Committee will be the Assistant to the Bishop.

## II. Quadrennium Nominations

- A. At the Annual Conference session one year prior to each new quadrennium, the Assistant to the Bishop will distribute a listing and description of all positions on teams, boards, agencies, committees, commissions and councils which are subject to election by the Annual Conference to all clergy and lay delegates to Annual Conference. The Nominations Committee will list the positions available in the Texas Annual Conference. The Assistant to the Bishop will announce the Nominations process. The delegates are encouraged to take the body of this nominations report to their local churches so they can participate in the nominating process.
- B. Persons interested in being considered for nomination to any TAC positions are encouraged to fill out a biographical profile (Assistant to the Bishop will provide a template on the Conference website) including church, district, conference and spiritual gifts and turn these into the local church pastors and District Superintendents for comments and endorsement. Completed profiles with endorsements should be sent into the office of the Assistant to the Bishop prior to November 15 of the year prior to the new quadrennium. District Superintendents, Center Directors, and the Core Leadership Team and District Leadership Teams may also make nominations.
- C. The Assistant to the Bishop will prepare profiles for the Nominations Committee by January 1. The Nominations Committee will meet prior to January 15. The Nominations Committee will make nominations giving attention to the pool of names submitted. The Nominations Committee will strive to make each Board, Agency, Commission, Committee, and Team as inclusive as possible with regard to ethnicity, age, gender, and church size. The report of the Nominations Committee will be reviewed by the Commission on Religion and Race for inclusivity as specified in the current Book of Discipline of the United Methodist Church. The Commission on Religion and Race will report any recommendations back to the Nominations Committee by March 1. All persons nominated by the Nominating Committee will be notified by email or letter and invited to indicate whether they accept or decline the nomination. The Nominations Committee will continue to meet until nominations are finalized. Nominations will be completed by March 15 and will be published in the Pre-Conference Journal. Some nominations may need to be made after the March 15 deadline and these will be presented at Annual Conference. Persons may be nominated for unfilled positions listed in the Pre-Conference Journal.
- D. The aggregate membership of all Ministry Teams, Boards, Divisions, Commissions, and Committees nominated by the Nominating Committee should consist of ½ clergy and ½ laity (this will exclude Board of Ordained Ministry, Administrative Review Committee, and Committee on Investigations).
- E. The Board of Ordained Ministry, Administrative Review Committee and Committee on Investigations will be nominated and elected in accordance with the discipline ¶635, 636, 2703 respectively.
- F. Persons may be nominated from the floor of the Annual Conference. The nominator will indicate which person from the Nominating Committee's report is to be replaced by the nominee. Substitute nominations should maintain or expand the diversity of the Nominations Committee's report. Votes on substitute nominees will be made individually prior to the vote on the full report.
- G. Persons shall not serve more than two consecutive quadrennia on the same Ministry Team, Board, Division, Commission, and Committee except in the case of the persons elected to complete a vacancy occurring during a quadrennium who will be allowed to serve two consecutive full quadrennia.



1. Persons serving in an ex-officio capacity, or as members of the Committee on Nominations, the Administrative Review Committee, and the Committee on Investigation are exempt from this restriction.
  2. Exempt from this rule are persons elected to the Committee on Nominations, Administrative Review Committee and Committee on Investigation that by nature meet as needed.
  3. Participation on a Task Force that is convened by a Conference Leader or Team will not disqualify an individual from being nominated for or elected to a Conference Ministry Team, Board, Division, Commission, or Committee.
- H. The Chairperson of any Ministry Team, Board, Division, Commission, or Committee shall not serve more than one full quadrennium except in the case of person filling an unexpired term of not over two years.
- I. During the quadrennium, chairpersons of all Ministry Teams, Boards, Divisions, Commissions, and Committees will conduct annual assessments of the leadership for attendance, effectiveness, and evidences of fruitfulness. Based on these assessments, the Center Leaders may request the Conference Leadership Team to recommend remedial action or replacement of leadership.
- J. All Nomination Rules of the Texas Annual Conference are subject to any applicable provisions of the current *Book of Discipline of the United Methodist Church*.
- K. The Board of Ordained Ministry of the Texas Annual Conference will be subject to Paragraph 635 of the current *Book of Discipline of the United Methodist Church* with the exception of the term limit which will be two quadrennia.
- L. Persons elected will begin serving at the close of Annual Conference.
- III. Nominations Between Quadrennia
- A. Vacancies in elected positions occurring between sessions of Annual Conference will be filled on a temporary basis by a vote of the Conference Leadership Team. Nominations for the Conference Leadership Team to consider for vacancies will be made by the Nominations Committee.
- B. Vacancies will be permanently filled by the process listed in Section II.
- IV. District Nominations – The Districts shall use a process similar to the Conference process subject to the current *Book of Discipline of the United Methodist Church*.

## SECTION 5: PROCEDURES OF THE ANNUAL CONFERENCE

- I. *Pre-Conference Journal*
  - A. The Assistant to the Bishop shall be responsible for producing a *Pre-Conference Journal*. Contents of the *Pre-Conference Journal* shall include those materials necessary for the business of the Annual Conference to be conducted. It shall be distributed at least 25 days before the Annual Conference begins.
  - B. Chairpersons are responsible for providing reports and materials to the Assistant to the Bishop on the schedule prescribed by the Assistant to the Bishop.
  - C. Pre-Conference Meetings may be held virtually or in person at least 21 days before the regular session of Annual Conference. All matters that will be voted upon individually at the Annual Conference Session will be presented and discussed at the pre-conference meetings.

- II. Resolutions and Proposals for the regular session of Annual Conference (Resolutions are related to issues. Proposals are related to structures and rules.)
- A. Resolutions and proposals to be considered by the Annual Conference at its regular session shall be submitted to the office of the Assistant to the Bishop on or before January 31, allowing the appropriate Conference Center to offer any suggested changes to the author of the resolution prior to February 15. If amended, a final draft of a resolution or proposal will subsequently be due in the conference office no later than February 28 in order to be presented to the Conference Leadership Team during their March meeting. After its review, the CLT will submit a written response to accompany the motion, including any recommendation of concurrence or non-concurrence, prior to the inclusion of the motion in the *Pre-Conference Journal*. The author of any resolution or proposal may withdraw their motion prior to its consideration by the Annual Conference.
  - B. Resolutions and proposals included in the *Pre-Conference Journal* will be presented in Pre-Conference Delegate Meetings prior to Annual Conference. Any discussion regarding the resolutions/proposals will be conducted in a spirit of Holy Conversation with all sides of the issues being presented and listened to in a spirit of Christian love and respect. Persons making presentations will not be interrogated or cross-examined. Persons present will not participate in applause or partisan or disparaging sounds (boos or hurrahs). No personal attacks will be allowed.
  - C. Resolutions and proposals included in the *Pre-Conference Journal* will be placed on the Agenda of the Annual Conference. When the resolutions/proposals come to the floor of Annual Conference, there may be one predetermined speaker for identified by the maker of the resolution and one predetermined speaker against the resolution/proposal identified by the Conference Leadership Team. Predetermined speakers are allowed a maximum of 5 minutes. Alternating comments shall be no longer than 60 seconds each for and against the resolution/proposal. All comments will be made in the spirit of Holy Conversations as set forth in Section 5: II.B. above. A minute of silent prayer will precede the vote on each resolution/proposal.
  - D. Resolutions and proposals not in the *Pre-Conference Journal*, except for courtesy resolutions, may be brought up at Annual Conference provided that:
    - 1. They have been turned in to the Assistant to the Bishop at least 60 days prior to the Annual Conference session and
    - 2. been reviewed by the Conference Leadership Team with a recommendation of concurrence/non-concurrence and/or disposition; and
    - 3. appeared in an Addendum distributed to the delegates so they can be discussed at the Pre-Conference Meetings prior to the Annual Conference
    - 4. Resolutions and Proposals that do not meet the above criteria would require a suspension of rules of 2/3 majority of the delegates in order to be considered.
- III. Conference Session Procedures
- A. The Assistant to the Bishop shall prepare an Agenda of all reports and proposals for distribution on the opening day of each Annual Conference.
  - B. No report, paper, or proposal shall be considered until three (3) copies have been given to the Secretary.
  - C. The Conference Rules may be suspended by a two-thirds (2/3) majority of the Annual Conference members present and voting. The Rules may be changed by three-fourths (3/4) majority of the Annual Conference members present and voting.

- D. All items that do not require Annual Conference action will be placed on the consent calendar. If the consent calendar is not a part of the *Pre-Conference Journal*, it will be presented on the first day of Annual Conference, and after laying on the table for 24 hours, it will be acted on by motion of the Assistant to the Bishop. Anyone may make a motion that an item be removed from the consent calendar. The item may be placed on the Agenda by a support of 25% of the Annual Conference body present and voting.
  - E. Speeches in favor of or in opposition to a motion, will be limited to three (3) minutes each.
  - F. A Session of the Texas Annual Conference may be held by remote communication technology by means of a conference telephone or an electronic communications system, including videoconferencing technology or the Internet. Remote communication technology may be used only if the system permits each person participating in the meeting to communicate with all other persons participating in the meeting and if voting is to take place at the meeting, reasonable measures must be implemented to verify that every person voting at the meeting by means of remote communication is sufficiently identified and a record must be kept of any vote or other action taken.
- IV. Special Session of Annual Conference
- A. A Special Session of the Annual Conference may be called by the Resident Bishop according to provisions in Paragraph 603.5 of the 2019 Book of Discipline.
  - B. The Special Session of the Annual Conference shall be limited only to the matters expressed in the call.
  - C. Only petitions and resolutions related to the call will be considered during the Special Session.
  - D. Suspension of the rules are not to be considered during a Special Session of the Annual Conference.
- V. Conference Journal
- A. The Assistant to the Bishop shall be editor of the *Conference Journal*.
  - B. The *Conference Journal* shall include at a minimum:
    1. Items required by BOD 606
    2. Year-end statement of receipts and expenditures by all Conference bodies
    3. List of appointments with and without annuity claim
    4. Conference Rules document

## SECTION 6: DISTRICTS

- I. Each District will determine an organizational structure that is consistent with the Conference vision and mission, and responsible to specific needs and priorities of the District.
- II. The number of districts will be determined by the Annual Conference.

## SECTION 7: CONFERENCE STAFF

- I. Conference staff positions will be determined by the Bishop, the Cabinet, and the Conference Leadership Team.
- II. Compensation of appointed Conference staff positions shall not exceed that of a District Superintendent.
- III. Salaries of District Superintendents may be adjusted annually by the percentage change in the average (mean) base salary of all full-time senior pastors serving in the Texas Annual Conference, providing funds are available.

## **SECTION 8: FINANCIAL PROCEDURES OF THE ANNUAL CONFERENCE**

- I. Each year, the Conference Council on Finance and Administration (CF&A) shall prepare and recommend a budget for the next calendar year, under appropriate headings, for Conference action.
- II. CF&A shall recommend to the Annual Conference for its action and determination methods or formulae by which all approved budgets shall be apportioned to the churches. All Conference delegates must be informed in writing of the financial consequences of any proposed change in the apportionment method before a vote is taken.
- III. The Treasurer of each church or charge is encouraged to remit to the Conference Fiscal Officer all receipts for Conference connectional and benevolent causes on a monthly basis.
- IV. The Conference Fiscal Officer shall distribute monthly or quarterly a report of budgeted funds available to the credit of agencies in proportion to receipts.
- V. All proposals with financial implications shall be referred to the CF&A before any action is taken by the Annual Conference, including any disbursements from any Reserve Funds held on behalf of the Annual Conference.
- VI. The Conference shall establish a year-end report date no earlier than January 10 and no later than January 17.
- VII. At the end of each fiscal year, all unspent budgeted funds remaining in the Annual Conference budget shall be deposited in the Operating Reserve Fund except the reserves for Pensions and Health Benefits and other designated reserves, which shall be reserved and made available for future expenditures for these designated purposes.
- VIII. Annually, the CF&A shall report for Conference approval a list of special days without offering and a list of special days with offering, including Conference Advance Specials. No appeal shall be made to churches of the Texas Annual Conference without CF&A approval except as provided in *The Book of Discipline*.
- IX. At the request of anyone receiving a salary from the Conference, the Conference Fiscal Officer is authorized to withhold a designated portion of salary annuities, allowances, and/or other benefits, pursuant to Internal Revenue Service regulations.
- X. The CF&A of the Texas Annual Conference, consistent with *BOD* 613.8, shall have limited authority to modify a budget approved by the Annual Conference between its sessions.

## **SECTION 9: PLAN OF EQUALIZATION**

The Plan of Equalization shall follow *BOD* 602.4. All lay members to annual conference will be elected either by their charge (for those representing their church) or by the District Leadership Team (for those serving as at-large delegates). At large delegates may also be elected by the District Conference upon nomination by the District Leadership Team. At large delegates will reflect the proportional strength and diversity of churches in the district. The Conference Leadership Team will be responsible for drafting a procedure that can be followed in all districts of the Texas Annual Conference.

## SECTION 10: ADDITIONAL PROCEDURES

- I. Clergy and Laity Candidate Profile Booklet – Eligible clergy members and eligible laity willing to be considered for election as a delegate to General or Jurisdictional Conferences are requested to complete a candidate profile sheet for inclusion in a candidate profile booklet which shall be mailed with the *Pre-Conference Journal*. Eligible persons willing to be considered must agree to attend delegation meetings, to prepare themselves by studying all assigned materials, and to make the necessary preparations to be effective delegates. If any eligible person who is not included in the booklet receives a vote on any ballot, then the individual will be assigned a number to be included in the remainder of the balloting process.
- II. Continuous Accountability: Each year during Annual Conference meetings, the CLT will make progress reports detailing steps taken to implement this proposal and steps taken to continue cultivating growing, vibrant, missional congregations; forming transforming lay and clergy leaders; and investing in the young. The CLT will also be responsible for scheduling an external “Ministry Audit” every two years. During this “Ministry Audit,” an outside professional may be engaged to review Conference progress toward implementing this proposal and accomplishing its strategic foci; help the CLT articulate measurable outcomes and set clear benchmarks; and then make a full report to the CLT and to the Annual Conference. As implementation continues, if questions or concerns arise, all Conference delegates should feel free to contact District Superintendents, Center Directors, or the Assistant to the Bishop.
- III. Vacation Policy for Clergy  
This Vacation Policy for Clergy is to standardize clergy vacations across the Conference. The policy is for clergy appointed within the bounds of the Texas Conference.

NOTE: Years of service (under appointment) refer to years of service in an Annual Conference(s) of The United Methodist Church, not years of service in the local church to which the clergy is appointed.

For every week’s vacation, a paid Sunday off is included.

(1)	<b>FULL-TIME LOCAL PASTORS</b> in process, attending the four-week Course of Study	5 years or less	2 weeks paid
(2)	<b>FULL-TIME CLERGY</b> (Full Members, Provisional Members, Assoc. Members, Full Connection Deacons, Full-Time Local Pastors)  <b>PART-TIME CLERGY</b> (Includes Student Local Pastors)	5 years or less	2 weeks paid  1 week paid
(3)	<b>FULL-TIME CLERGY</b> (Full Members, Provisional Members, Assoc. Members, Full Connection Deacons, Full-Time Local Pastors)  <b>PART-TIME CLERGY</b> (Includes Student Local Pastors)	5 years + 1 day through completion of 10 <sup>th</sup> year	3 weeks paid  2 weeks paid
(4)	<b>FULL-TIME CLERGY</b> (Full Members, Provisional Members, Assoc. Members, Full Connection Deacons, Full-Time Local Pastors)  <b>PART-TIME CLERGY</b>	10 years + 1 day through completion of 15 <sup>th</sup> year	4 weeks paid  3 weeks paid
(5)	<b>FULL-TIME CLERGY</b> (Full Members, Provisional Members, Assoc. Members, Full Connection Deacons, Full-Time Local Pastors)  <b>PART-TIME CLERGY</b>	15 years + 1 day through completion of 25 <sup>th</sup> year	5 weeks paid  3 weeks paid
(6)	<b>FULL-TIME CLERGY</b> (Full Members, Provisional Members, Assoc. Members, Full Connection Deacons, Full-Time Local Pastors)  <b>PART-TIME CLERGY</b>	25 years or more	6 weeks paid  4 weeks paid

Time used for Continuing Education, Spiritual formation and Course of Study as defined by the *Book of Discipline* of The United Methodist Church and according to the rules set by the Conference Board of Ordained Ministry, shall **not be** considered as vacation time or used in lieu of vacation time. Vacation time is calculated on a conference year basis (7/1- 6/30). Vacation time not used in one year cannot be carried into the next year. There will be no pay in lieu of unused vacation time.

## **ORGANIZATIONS RELATED TO THE TEXAS ANNUAL CONFERENCE**

### Affiliated Entities within the Texas Annual Conference

Houston Methodist Hospital  
Lakeview Methodist Conference Center  
Methodist Retirement Communities  
UM ARMY  
Wesley Community Center  
Wiley College

### Entities within the State of Texas

Methodist Children's Home  
Providence Place  
Texas Methodist Foundation  
Texas United Methodist College Association

### Entities within the South Central Jurisdiction

Lydia Patterson Institute  
Perkins School of Theology  
Saint Paul School of Theology

### Entities outside the South Central Jurisdiction

Gulfside Assembly

## REGISTRATION INFORMATION

### CLERGY & LAITY REGISTRATION

Sunday, May 28	2:00 pm – 8:00 pm	Hilton Americas-4 <sup>th</sup> Level
Monday, May 29	8:00 am – 6:00 pm	Hilton Americas-4 <sup>th</sup> Level

**Registration for Clergy, Clergy Spouses & Laity:** If you have pre-registered on-line before the May 5<sup>th</sup> deadline, all you need to do is approach the registration area, look for the sign that corresponds to your district, pick up your nametag, and receive a lanyard.

**Guests Not Pre-Registered On-line:** This is for any guests who DID NOT PRE-REGISTER ON-LINE. Please proceed to the sign that corresponds to the first initial of your last name. You will be asked to fill out a form with your name, church, district, and personal email address. An Administrative Assistant will approve your status and the form will be given to the Printing Assistants who will print your nametag.

**Alternate Delegate Not Pre-Registered On-line: IF YOU ARE NOT THE ELECTED “DELEGATE” FOR YOUR CHURCH, YOU MUST PRESENT A LETTER FROM YOUR PASTOR CONFIRMING THAT YOU ARE THE REPLACEMENT DELEGATE. Without this letter of confirmation, you will not be given voting rights.** Please have your confirmation letter in hand so that you can have your vote counted for your church.

**VERY IMPORTANT!! – PLEASE NOTE:** For anyone not pre-registered on-line, registration will close on Monday, May 29<sup>th</sup> at 6:00 pm, after that time there will not be on-site registration. You must have pre-registered on-line in order to pick-up a pre-printed nametag at the Registration Desk on the 4<sup>th</sup> Level. No nametags will be made after Monday at 6:00 pm.

## CHILDCARE REGISTRATION INFORMATION

We are delighted to again have Mrs. Stephanie Denham coordinating our childcare at this year's annual conference event. Registration ends on May 5.

Please use the link below to register:

<https://www.shelbygiving.com/App/Form/c7c0f7c6-c0a1-4b0a-a6f9-8025206d6036>

We look forward to welcoming our younger United Methodists to this year's event.



# ANNUAL CONFERENCE PRELIMINARY AGENDA

The following is a general outline of the agenda for Annual Conference 2023. It is not intended to be the complete agenda but is a rough outline of the worship and business. Please note that this is the agenda as of the publication date of the Pre-Conference Journal in March 2023. THE AGENDA WILL CHANGE. For updates, please visit our website, [www.txcumc.org](http://www.txcumc.org). or check out our TAC Guidebook APP.

## Opening of Annual Conference Sunday, May 28, 2023

7:00 pm	Opening Worship with Episcopal Address
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## First Day of Annual Conference Monday, May 29, 2023

8:00am-5:00pm	Display Booths
8:00 am	Clergy Session
10:00 am	Laity Session
12:00 pm	Lunch
1:30 pm	Memorial Service
2:45 pm	Break
3:00 pm	Business Session I
5:30 pm	Adjourn Business for the Day

## Second Day of Annual Conference Tuesday, May 30, 2023

9:00am-4:00pm	Group Health Benefits Vendor Fair
9:00 am	Business Session II
9:30 am	Morning Devotional
9:45 am	Break
10:00 am	Business Session III
11:30 am	Retirement Service
12:00 pm	Lunch
1:30 pm	Business Session IV
2:50 pm	Break
3:10 pm	Business Session V
4:45 pm	Adjourn Business
7:00 pm	Service of Ordination & Commissioning Live-Streamed

## Last Day of Annual Conference Wednesday, May 31, 2023

9:00 am	Business Session VI
9:30 am	Morning Worship
10:00 am	Business Session VII

# Parliamentary Motions Guide

The motions below are listed in order of precedence. Any motion can be introduced if it is higher on the chart than the pending motion.

§	You Want	You Say	Interrupt?	2 <sup>nd</sup> ?	Debate?	Amend?	Vote?
§21	Close meeting	I move to <b>adjourn</b>	No	Yes	No	No	Majority
§20	Take Break	I move to <b>recess</b> for...	No	Yes	No	Yes	Majority
§19	Register complaint	I rise to a <b>question of privilege</b>	Yes	No	No	No	None
§18	Make follow agenda	I call for the <b>orders of the day</b>	Yes	No	No	No	None
§17	Lay aside temporarily	I move to <b>lay the question on the table</b>	No	Yes	No	No	Majority
§16	Close debate	I move to the <b>previous question</b>	No	Yes	No	No	2/3
§15	<b>Limit or extend debate</b>	I move that debate be limited to...	No	Yes	No	Yes	2/3
§14	<b>Postpone to a certain</b>	I move to postpone the motion to...	No	Yes	Yes	Yes	Majority
§13	<b>Refer</b> to committee	I move to refer the motion to...	No	Yes	Yes	Yes	Majority
§12	Modify wording of motion	I move to <b>amend the</b> motion by...	No	Yes	Yes	Yes	Majority
§11	Kill main motion	I move that the motion be <b>postponed indefinitely</b>	No	Yes	Yes	No	Majority
§10	Bring business before assembly ( <b>a main motion</b> )	I move that [or "to"]...	No	Yes	Yes	Yes	Majority

**Incidental motions** – No order of precedence. Arise incidentally and decided immediately.

§23	Enforce rules	<b>Point of Order</b>	Yes	No	No	No	None
§24	Submit matter to assembly	I <b>appeal</b> from the decision of the chair	Yes	Yes	Varies	No	Majority
§25	Suspend rules	I move to <b>suspend the rules</b>	No	Yes	No	No	2/3
§26	Avoid main motion altogether	I <b>object to the consideration</b> of the question	Yes	No	No	No	2/3
§27	Divide motion	I move to <b>divide the question</b>	No	Yes	No	Yes	Majority
§29	Demand a rising vote	<b>Division</b>	Yes	No	No	No	None
§33	Parliamentary law question	<b>Parliamentary inquiry</b>	Yes	No	No	No	None
§33	Request for information	<b>Point of information</b>	Yes	No	No	No	None

**Motions That Bring a Question Again Before the Assembly** – No order of precedence. Introduce only when nothing else pending.

§34	Take matter from table	I move to <b>take from the table...</b>	No	Yes	No	No	Majority
§35	Cancel previous action	I move to <b>rescind...</b>	No	Yes	Yes	Yes	2/3 or Maj with notice
§37	Reconsider motion	I move to <b>reconsider...</b>	No	Yes	Varies	No	Majority

## HOTEL AMERICAS ROOM ASSIGNMENTS

Cabinet & CLT Meeting Room (if needed) .....	326
Robing Room.....	Grand Ballroom C
Candidate Rehearsal .....	FUMC Downtown
Childcare .....	327-330
Choir Rehearsal & Staging Room .....	Grand Ballroom C
Clergy Spouse's Hospitality Area (Monday and Tuesday) .....	4 <sup>th</sup> Floor Gathering Area, West
Commissioning & Ordination Meet & Greet .....	FUMC Downtown
Communication Office .....	432
Display Fair (Sunday and Monday) .....	Level 4
Group Health Benefits Vendor Fair (Tuesday) .....	Level 4, Registration Area
Information Booth .....	Level 4
Pod Have Mercy (Tuesday) .....	4 <sup>th</sup> Floor Gathering Area, East
Registration (Sunday and Monday) .....	Level 4
TAC Conference Secretaries Office .....	433
TAC Staff Office .....	near Registration, Level 4
Worship Planning Team .....	Grand Ballroom C

## MEALS & MEETINGS SCHEDULE

### **Sunday, May 28, 2023**

5:00 pm	Board of Ordained Ministry Dinner/Meeting	Grand Ballroom A
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### **Monday, May 29, 2023**

11:30 am	TCCEF Luncheon	Pappasito's at the Hilton
11:45 am	Clergy Spouse's Luncheon	337
11:45 am	Laity Luncheon	Ballroom of the Americas DE
11:45 am	United Women in Faith Luncheon	Ballroom of the Americas C
5:00 pm	Reconciling United Methodists Meeting	Ballroom of the Americas AB
5:00 pm	U-35 Family Dinner	335
6:00 pm	Friends of Wesley Foundations Dinner	Fuddrucker's
7:00 pm	Commissioning/Ordination Rehearsal	FUMC Houston

### **Tuesday, May 30, 2023**

7:30 am	Order of Deacons Breakfast	337
7:30 am	That We May Be One Breakfast	Ballroom of the Americas AB
12:00 pm	Austin Theological Seminary Lunch	Hearsay on the Green
12:00 pm	Methodist Children's Home Luncheon	Grand Ballroom AB
12:00 pm	Retiree Luncheon	Ballroom of the Americas AB
12:15 pm	Black Methodists for Church Renewal Lunch	335
4:45 pm	Commissioning/Ordination Dinner	Ballroom of the Americas AB
4:45 pm	United Women in Faith Committee Dinner	337
7:00 pm	Commissioning/Ordination Service	FUMC Houston
8:30 pm	Commissioning/Ordination Meet & Greet	FUMC Houston

### **Wednesday, May 31, 2023**

7:45 am	Clergywomen's Breakfast	335
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Please be aware the rooms for events at Hotel Americas have not been assigned as of the date of Pre-Conference Journal distribution. Please use the assignments that will be in Guidebook.

Registration and contact information for meals can be found at [www.txcumc.org/tac2023/](http://www.txcumc.org/tac2023/)

## DISPLAYS

<b>NAME OF GROUP</b>	<b>BOOTH #</b>
Mission Team	1
We Love All God's Children	2
Mission Center/Disaster Readiness	3
Global Ministries / SCJ	4
Cultivating Families	5
TMF	6
Texas Methodist Conference Cemetery	7
Wesley Foundations	8
McMahan Chapel UMC	9
Educational Opportunities Tours	10
Methodist Children's Home	11
United Women in Faith	12
Clergy Spouse's Association	13
Hispanic Ministry	14
Interim Ministries	15
Candidacy and Recruitment	16
Charis Spiritual Director Training	17
Ascending Leaders	18
U.M. ARMY	19
Lakeview Methodist Conference Center	20
Disability Awareness	21
United Methodist Men	22
Discipleship Ministries	23
United Methodist Communications	24
Perkins School of Theology – SMU	25
Baylor University's Truett Theological Seminary	26
Reconciling United Methodist Texas (RUMTX)	27
United Theological Seminary	28
Providence Place	29
Methodist Retirement Communities	30

## PRELIMINARY CONSENT CALENDAR

The Consent Calendar will be presented as a resolution in which the reports listed can be approved in one motion, rather than separate motions for each item. Any item can be pulled off the Consent Calendar by a request made when the resolution is presented.

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Southern Methodist University .....	217-218
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## RESOLUTIONS BEFORE THE ANNUAL CONFERENCE

### #1-THE BLEDSOE RESOLUTION IN SUPPORT OF CREATING A U.S. REGIONAL CONFERENCE

**WHEREAS**, the seven Central Conferences and five U.S. Jurisdictions of The United Methodist Church engage in mission together in 136 countries; and

**WHEREAS**, the connectional ties between the church in the United States and the Central Conferences are significant and vital to the continued mission and ministry of the worldwide United Methodist Church; and

**WHEREAS**, the existing structure of The United Methodist Church at the general church level has historically impeded each region from effectively tailoring its ministry to its specific contexts; and

**WHEREAS**, the existing structure of The United Methodist Church at the general church level diminishes our ability to be a vital and effective church and needs to be re-envisioned to achieve more fair and equitable church governance; and

**WHEREAS**, the Apostle Paul gave us a beautiful example of the value of a church established in diverse places with shared beliefs alongside local and regional differences in structure, worship, and style best suited to particular contexts; and

**WHEREAS**, the creation of a U.S. Regional Conference and the conversion of the Central Conferences to Regional Conferences, as outlined in the [Christmas Covenant](#), developed by Central Conference leaders in Africa and the Philippines, would establish structural parity throughout the worldwide church; and

**WHEREAS**, the creation of a U.S. Regional Conference, as outlined in legislation put forward by [the Connectional Table](#) will establish the governance necessary to allow each region to design ministry for its particular contexts, and thus more effectively make disciples of Jesus Christ for the transformation of the world; and

**WHEREAS**, the Texas Annual Conference aspires to vital, thriving, multicultural, and diverse ministries that are open to all people and can be a beacon of hope for the worldwide United Methodist Church; and

Whereas, in November of 2022, and in historic fashion, a resolution in support of a U.S. Regional Conference was adopted at all five Jurisdictional Conferences.

**THEREFORE**, be it resolved that the Texas Annual Conference supports the expressed intents of the Christmas Covenant and Connectional Table legislation, including the creation of Regional Conferences in Africa, Europe, the Philippines, and the U.S., respectively; and

**BE IT FURTHER RESOLVED** that the Texas Annual Conference recognizes and supports the leadership of our



Central Conferences in the creation and furtherance of the Christmas Covenant as well the Connectional Table's future visioning on behalf of our worldwide fellowship; and

**BE IT FURTHER RESOLVED** that the Texas Annual Conference urges the Council of Bishops to expedite the process of voting on the constitutional amendments necessary to enact the regional conferences legislation, calling special sessions of annual conferences where necessary; and

**BE IT FURTHER RESOLVED** that the Texas Annual Conference secretary shall send copies of this resolution to all delegates to General and Jurisdictional Conferences, including alternates, to the Commission on the General Conference, and to the Council of Bishops.

Submitted by:

Rev. Nathan Lonsdale Bledsoe

Rev. David Horton

Rev. Emily Chapman

Rev. Preston Morgan

Laura Young

Ruby Nelson

Gary Frederick

Rev. Trey Comstock

Rev. Glynden Bode

**#2-THE THAT WE MAY BE ONE RESOLUTION  
OUR NEW LIFE TOGETHER IN  
THE TEXAS ANNUAL CONFERENCE**

**WHEREAS**, the Texas Annual Conference of The United Methodist Church voted to allow 294 local churches to disaffiliate from the TAC in 2022,

**WHEREAS**, the Texas Annual Conference of the UMC is recovering from a season of conflict, division, power politics, and competition,

**WHEREAS**, though this kind of culture might have benefited a few, it has not served us well as a whole, and has left us divided, fractured, and dismayed, rather than united, focused, and hopeful,

**WHEREAS**, those remaining in the Texas Annual Conference of the UMC affirm our faith in Jesus Christ, who gives us hope of resurrection and is always making things new,

**WHEREAS**, we renew our commitment to the Scriptures and the historic creeds of the church, which remind us to not lose heart because the Spirit is moving,

**WHEREAS**, it is a new day in the Texas Annual Conference, with the opportunity before us to shed our old ways of being, to repent of our sins, and to embrace the revival that the Spirit is stirring in our midst,

**THEREFOR BE IT RESOLVED** that the Texas Annual Conference moves forward in a spirit of hope and embraces a season of reformation for making disciples of Jesus Christ for the transformation of the world.

**BE IT FURTHER RESOLVED** that in this season of reformation, we commit to the revitalization of The United Methodist Church through planting new ministries, and through structural reform and to the revitalization of our relationships with one another as a connectional people.

**BE IT FURTHER RESOLVED** that the Texas Annual Conference works for a culture marked by compassion, courage, and companionship, such that the following measures are true in our life together:

- Annual Conference is an occasion of reunion marked with joy and hospitality
- Districts are strengthened by the sharing of knowledge and resources between congregations
- Clergy health is improved because of deep, meaningful friendships
- Young clergy and candidates for ministry find and connect with mentors, who equip them for a life of friendship.

Respectfully Submitted,

Nathan Lonsdale Bledsoe	Brandi Horton
Emily Chapman	David Horton
Lindsay Kirkpatrick	DeAndre Johnson
Seann Duffin	Preston Morgan

## REPORTS TO THE ANNUAL CONFERENCE

Assistant to the Bishop  
Rev. Kip Gilts

Every year there seems to be scripture that speaks profoundly into the moment. This year it has been Genesis 15:1-6. It is the very first time in scripture when Abram (later to be renamed Abraham) speaks. He has been around for several chapters, picking up and going to a land the Lord would show him, building an altar when God appeared to him beyond the familiar boundaries of home, and stepping off the dimensions of a new home. From Genesis 12:1 to Genesis 15:2 a pattern was established where God spoke and Abram acted, but then in Genesis 15:2, Abram spoke. At first it was a mild protest, "I continue childless," but then it grew in its boldness. The very next verse, Abram said, "YOU have given me no offspring!" Frustration, anger, disappointment all proceed from the patriarch's mouth.

Genesis 15:1-6 seems to me to depict a Bridge of Belief that spans the Land of Problems and the Land of Promise. The land of pain has obstacles and impossibilities. The Land of Promise is filled with divine assurances. Between the two stands the bridge of belief where "Abram believed the Lord and the Lord reckoned it to him as righteousness."

I don't have to be the most creative person to recognize the connection between Abram's world in Genesis 15 and our world in 2023. The Land of Problems is easy to see: a coronavirus that continues to cause alarm, racism that continues to be persistently present, and disaffiliation that has generated many false accusations and deep hurt.

**Yet**, God's promises do not yield any ground, "Look toward the heaven and count the stars, if you are able to count them. So shall your descendants be." I used to think God was presenting a math problem to Abram, suggesting that he calculate the number of stars. I researched this once and discovered that there about 9,110 naked eye stars (stars you can see in your backyard if you live in the middle of nowhere with an arid climate and no ambient light). Astronomers estimate between 70 sextillion and 300 sextillion stars in the universe. I can't even fathom that, but am entertained that people who study this have a high range that is more than 4 times the low range! However, I am convinced that God was not challenging Abram to count stars that seem to move. I now have this image of the Lord standing out in the backyard with Abram as he surveys the sky, puts his divine arm around the patriarch and says, "If I can do all of that, I'm quite capable of addressing your problems."

I had dinner with a retired pastor from the East Coast about a month ago. He is now an amazing coach and was sharing with me that in one of his clergy groups that he coaches, a group of high capacity leaders from all around the world, he noted that none of the churches were growing. He asked me, "Where is God moving in this world?"

I felt God's arm drape around my shoulders and whisper, "Look toward the heaven and count the stars..."

I told my new friend, that I'm sure God is moving in places beyond the church, but I am also sure that God will not abandon the church as a principal conduit of conveying grace upon a world that needs that grace as much, if not more, than ever.

It has been a busy year as I reflect on all that has occurred since last we gathered at the Hilton Americas in our *Together Again* Conference last year. The summer was filled with Future Discernment Task Force meetings. The fall had so many painful conversations that quickly degenerated into us/them conversations. The winter had us gathering in a Special Session of Annual Conference, saying “good-bye” to one bishop, saying “hello” to our new bishop with “At the Table” sessions and Celebration worship services. And now it’s spring – a season for new growth and revived souls. I can already see it. I can already feel it. And as I do, I sense the arm of the Lord draped around as God whispers, “Look toward the heaven and count the stars...”

Below are reports from teams that see clearly the land of promise even while walking and working in a land of problems. These teams are made up of people who believe the Lord and it is reckoned to them as righteousness. I am grateful to be partner with each and every one of them.

Nominations Committee  
Rev. Kip Gilts, Chair

The Disaffiliations of December and subsequent withdrawals of clergy members of the annual conference created a considerable number of vacancies in the quadrennial terms that expire in 2024. Therefore, the entire roster of officers is included with the asterisks identifying the new nominees that the Conference Leadership Team has reviewed and approved for TAC consideration:

**TAC SLATE OF NOMINATIONS**

\*New Nominee

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
Statistician	Mark Hellums	C	M	Benefits Auditor	-	L

**CONFERENCE TREASURER**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
Treasurer	Robert Besser	C	M	Conference Treasurer	S	C

**CONFERENCE SECRETARY**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
Secretary	Trey Burns	C	M	Houston-St. Paul’s	CS	C

### CONFERENCE LAY LEADER

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
Lay Leader	John Esquivel (7)	H	M	Houston-First	CS	L

### CONFERENCE LEADERSHIP TEAM (4 + 24 ex-officio)

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>District Reps</b>						
	Andrew Hook	C	M	Magnolia	CN	C
	Hannah Terry	C	F	Houston-Westbury	CS	C
	Cindy Doran	C	F	Lufkin-Keltys	E	C
	Joe Stark	C	M	Texarkana-Williams Memorial	N	L
	Susan Smith	C	F	Tyler-Fairwood	NW	C
	Reggie Clemons	A	M	Pearland-First	S	C
	Christie Hale	C	F	Fannett-Faith	SE	C
	Bea Garza	H	F	Houston-Ashford	SW	L
	Mike Lindstrom	C	M	Brenham-First	W	C
<b>District Superintendents</b>						
	Elizabeth Duffin	C	F	District Superintendent	CN/SW	C
	Elijah Stansell, Jr.	A	M	District Superintendent	CS	C
	Steve Woody	C	M	District Superintendent	E/N	C
	Kip Gilts	C	M	District Superintendent	W/NW	C
	Vincent Harris	A	M	District Superintendent	S/SE	C
<b>Lay Leader</b>						
	John Esquivel	H	M	Lay Leader	CS	L
<b>At-Large Members (4 to elect)</b>						
	*Stephanie Griffin (1)	C	F	Tyler-Fairwood	NW	L
	*Stacie Hawkins (1)	A	F	Houston-Windsor Village	S	L
	Michael Jarboe (3)	C	M	Houston-Memorial Drive	SW	C
	John Stephens (3)	C	M	Houston-Chapelwood	CS	C
<b>Ex-Officio Members</b>						
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	S	C
<b>Assistant to the Bishop</b>	Romonica Malone-Wardley	A	F	Assistant to the Bishop	SE	C
<b>Bishop</b>	Bishop Cynthia Fierro Harvey	H	F	Bishop of the TAC	-	C

<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C
<b>Communications</b>	Shannon Martin	C	F	Director of Communications	CN	L

**COMMITTEES UNDER THE ASSISTANT TO THE BISHOP**  
**ANNUAL CONFERENCE PLANNING TEAM (8 + 10 ex-officio)**

<b>Office</b>	<b>Name (Years)</b>	<b>Race</b>	<b>Gender</b>	<b>Church</b>	<b>District</b>	<b>Lay or Clergy</b>
<b>Children's Coordinator</b>	Stephanie Denham (5)	C	F	Beaumont-First	SE	L
<b>Assoc. Worship Director</b>	Nikki Gray (3)	C	F	Dickinson-First	S	L
<b>Disabilities Rep</b>	Bill Newcomb (5)	C	M	Retired	CN	C
<b>Registration Coord</b>	Lonna Nunn (5)	C	F	DAA	N	L
<b>Head Teller</b>	Lance Richards (2)	C	M	Houston-First	CS	C
<b>On-Site Coord</b>	Nancy Slade (5)	C	F	Admin. Asst. for Clergy Excellence	CS	L
<b>Worship Director</b>	Michael Vaughn (6)	C	M	College Station-A&M	W	L
<b>At-Large Members</b>						
	Sheila Castellano (2)	H	F	Extension-League City- The Crossing	S	C
	*Karen Jones (1)	C	F	Huntsville-First	W	C
<b>Ex-Officio Members</b>						
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	S	
<b>Conference Coordinator</b>	Colly Enochs	C	F	Admin. Asst. for the Asst. to the Bishop	S	L
<b>Assistant to the Bishop</b>	Romonica Malone-Wardley	A	F	Assistant to the Bishop	SE	C
<b>Communications</b>	Troy Griffin	C	M	Associate Director of Media	CS	L
<b>Bishop</b>	Bishop Cynthia Fierro Harvey	H	F	Bishop of the TAC	-	C
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C
<b>Communications</b>	Shannon Martin	C	F	Director of Communications	CN	L
<b>New Ministry Strategies</b>	Melissa Maher	C	F	Director of New Ministry Strategies	CS	C
<b>Hispanic Ministries Rep</b>	Dayimi Pimentel	H	F	Center for Leadership Formation	SW	C
<b>Connectional Resource</b>	Will Reed	C	M	Chief Operating Officer	S	C

<b>Executive Administrative Assistant</b>	Robin Rodriguez	C	F	Administrative Assistant for the Bishop	CN	L
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#### COMMITTEE ON NOMINATIONS (9 + 7 ex-officio)

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
	Bruce Butler (5)	A	M	Houston-Riverside	CS	L
	Nathan Hodge (2)	C	M	Nacogdoches-First	E	C
	Richard Luna (5)	C	M	Tyler-Pollard	NW	C
	Stacie Hawkins (2)	A	F	Houston-Windsor Village	S	L
	Hazel Jackson (2)	A	F	Retired	SW	C
	*Jennifer Gros (1)	C	F	Spring Faith	CN	C
	Roy Price (2)	C	M	Longview-First	N	L
	*Ida Campbell (1)	A	F	Hempstead-Bethlehem	W	L
	Krystal West (2)	A	F	Port Arthur–St Paul’s	SE	L
<b>Ex-Officio Members</b>						
<b>Cabinet Representative</b>	Kip Gilts	C	M	District Superintendent	W/NW	C
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	S	C
<b>Lay Leader</b>	John Esquivel	H	M	Houston-First	CS	L
<b>Assistant to the Bishop</b>	Romonica Malone-Wardley	A	F	Assistant to the Bishop	SE	C
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C
<b>New Ministry Strategies</b>	Melissa Maher	C	F	Director of New Ministry Strategies	CS	C

#### COMMITTEE ON COMMUNICATIONS (11 + 1 ex-officio)

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
<b>(Co-Chair)</b>	Ingrid Beguiristian (2)	H	F	Chandler-Lake Palestine	NW	C
	*Michael Wenger (1)	C	M	Clear Lake UMC	S	L
	*Michael Whang (1)	As	M	Missouri City-Oikon, New Faith Community	SW	C
	Mark McClanahan (2)	C	M	Mt Pleasant-Tennison Memorial	N	C

	*Suzi Pitts (1)			Houston- St. Luke's UMC	CS	L
<b>(Co-Chair)</b>	Erin Muckleroy (6)	C	F	Canton-Colfax Circuit	NW	C
	*Steffon Arrington (1)	A	M	Houston, Spring Woods UMC	CN	C
	Johnnie Simpson (2)	A	M	Dickinson-Faith	S	C
	*Timolin Colbert (1)	A	F	Beaumont-St. James UMC	SE	L
	*Alisha Bynum (1)		F	College Station-A&M UMC	W	C
<b>Ex-Officio Members</b>						
<b>Communications</b>	Shannon Martin	C	F	Director of Communications	CN	L
<b>Communications</b>	Troy Griffin	C	M	Assoc. Director of Communications	CS	L

### MISSIONS TEAM (19 + 3 ex-officio)

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
	Lauren Bedevian (3)	C	F	Houston-Memorial Dr	SW	L
	John Black (3)	C	M	Deer Park-Deer Park	S	C
	*Susan Brannen (1)	C	F	Texarkana-Williams Memorial	N	L
	*Jimmy Calvert (1)	C	M	Palestine-Grace	NW	C
	Soledad de la Cerda (3)	H	F	Houston-CrossRoads	S	L
	*Michael Gienger (1)	C	M	Galveston-Central	S	C
<b>Chair</b>	Michelle Hall (3)	A	F	Sugar Land-Christ	SW	C
	Paul Kethley (3)	C	M	Lake Jackson- Chapelwood	S	C
	*Kathlyne Kriaza (1)	C	F	Kingwood-Strawbridge	CN	L
	Cesar Martinez (3)	H	M	Houston-CrossRoads	S	C
	*Mak Percival (1)	C	F	East Bernard-First	SW	C
	*Luis Ramirez (1)	H	M	Baytown-NFC	S	C
	Amy Bezency (2)	C	F	Sugar Land, Christ UMC	SW	C
	*Krystal West (1)	A	F	Port Arthur-St Paul's	SE	L
	*Kanika Douglas (1)	A	F	Galveston Moody	S	C
	Pam Woody (3)	C	F		W	L
<b>Ex-Officio Members</b>						
<b>WLAGC</b>	Jill Daniel	C	F	We Love All God's Children Director	N	C
<b>Assistant to the Bishop</b>	Romonica Malone-Wardley	A	F	Assistant to the Bishop	SE	C
<b>Disaster Readiness Coordinator</b>	Godfrey Hubert	C	M	TAC Disaster Readiness Coordinator	CN	C
<b>Mission Center</b>	Christine Riggle	C	F	Mission Center Administrator/Facilities Manager		L



**CHURCH & SOCIETY TEAM (11 = 2 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
Nominees						
<b>Tx Impact</b>	Scott Atnip (3)	C	M	Huntsville-Wesley Memorial	W	L
<b>COSROW Rep.</b>	Kimberly Carney (3)	C	F	Tyler-Fairwood	NW	C
	John Chism (3)	A	F	Houston-St John's	CS	L
	Sara del Pozo (3)	H	F	Houston-CrossRoads	S	L
	*Sid Earnhart (1)	C	M	Spring-Faith	CN	L
	*Sunny Farley (1)	C	F	Ext Ministries	NW	C
<b>Chair</b>	Kate Flint (3)	C	F	Houston-St. Paul's	CS	C
	Dianne Iglehart (3)	A	F	Houston-Trinity	CS	L
	*Nathan Lonsdale Bledsoe (1)	C	M	Houston-St. Stephens	CS	C
	*Dorothy Ringer-Sumner (1)	A	F	Houston St Andrew's	CS	L
	Randy Smith (3)	C	M	Retired	SW	C
Ex-Officio Members						
<b>WLAGC</b>	Jill Daniel	C	F	We Love All God's Children Director	N	C
<b>Assistant to the Bishop</b>	Romonica Malone-Wardley	A	F	Assistant to the Bishop	SE	C

**WE LOVE ALL GOD'S CHILDREN BOARD**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
	John Viard (1)	C	M	North District	N	L
	Sarah Johnson (1)	A	F	Houston-Lakeside	CN	L
	Gloria Hayes (1)	A	F	Houston-Trinity	CS	L
	Sharon Barnett (1)	C	F	Houston-Terrace	CS	L
	Brant Graham (1)	C	M	Bear Creek		L
	Katy Sabayrac (1)	C	F	Houston-Westbury	CS	C
	Karen Jones (1)	C	F	Huntsville-Huntsville	W	C
	Alicia Besser (1)	C	F	Galveston-Moody	S	C
	Vincent Harris (1)	A	M	District Superintendent	S/SE	C
<b>WLAGC</b>	Jill Daniel	C	F	We Love All God's Children Director	N	C

# **COMMITTEES UNDER CENTER FOR LEADERSHIP FORMATION**

## **CLERGY LEADERSHIP TEAM (9 + 3 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
Nominees						
	*Rick Aguilar (1)	H	M	Longview-First	N	C
<b>Chair</b>	Rhett Ansley (2)	C	M	Magnolia-Wildwood	CN	C
	Stacy Auld (2)	C	F	Extension-Houston Methodist	CS	C
	*Quinn Peters (1)	C	M	Galveston-Moody	S	C
	Marquice Hobbs (2)	A	M	Sugar Land-Christ	SW	C
	Melody Kraus (2)	C	F	Extension-Chambers County Children Museum	S	C
	Kristin Rockwell (2)	C	F	Tool-Cedar Creek	NW	C
	Sallie Wester (2)	C	F	Rosenberg-First	SW	L
	Marilyn White (2)	A	F	Houston-Trinity East	CS	C
Ex-Officio Members						
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C
<b>Chair of Order of Deacons</b>	DeAndre Johnson	A	M	Sugar Land-Christ	SW	C
<b>Leadership Formation</b>	TBA			Clergy Recruitment/Development		
<b>Chair of Order of Elders</b>	Lawrence Young	A	M	Spring-Klein	CN	C
<b>Chair of Fellowship of Local Pastors</b>	TBA					

## **EQUITABLE COMPENSATION (8 + 3 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
Nominees						
	Martie Belt (2)	C	F	Tyler-Pollard	NW	L
	Wade Floyd (2)	C	M	Lake Jackson-First	S	C
	Curtis Matthys (2)	C	M	Rockdale-St John's	W	C
<b>Chair</b>	Melinda Thompson Owens (2)	A	F	Houston-St Paul's	CS	C
	*John Seaton (1)	C	M	Montgomery-Montgomery	CN	C
	Calvin Washington (1)	A	M	Houston-Riverside	CS	L
	*Patty Wehn-Glowski (1)	C	F	White Oak-White Oak	N	C
	*Earnest Young (1)	A	M	Jefferson-St Paul's	N	L

Ex-Officio Members						
Connectional Resources	Robert Besser	C	M	Treasurer	S	C
Leadership Formation	Deborah Hawboldt (C)	C	F	Director of Leadership Formation	CN	C
Connectional Resources	Will Reed	C	M	Chief Operational Officer	S	C

#### HIGHER EDUCATION & CAMPUS MINISTRIES (13 + 6 ex-officio)

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
Nominees						
	Sadie Brink (3)	C	F	Tyler Junior College – Wesley Foundation Director	NW	C
	Ami Cecil (2)	C	F	Beaumont	SE	L
	*Jordan Czichos (1)	C	F	Houston-ReVision	S	C
	*Mattie Loucks (1)	C	F	Houston-West University	CS	L
Chair	Adam Muckleroy (2)	C	M	Canton-First	NW	C
	*Julia Riley (1)	C	F	Galveston-Central	S	C
	Debbie Tipps (2)	C	F	Longview-First	N	C
	Beverly Waddleton-Johnson (2)	A	F	Quitman-First	NW	L
	*Jeremy Woodley (1)	C	M	Navasota-First	W	C
	*Tiffany Chandler (1)	A	F	Houston, St. Johns	CS	C
Student Representatives						
Rep. 1	*Meredith Clark (1)	C	F	Texas A&M	W	L
Rep. 2	*Natalie Anderson (1)	C	F	SHSU	W	L
1 <sup>st</sup> . Alt. Rep.	*Emalee Reynolds (1)	C	F	Texas A&M	W	L
2 <sup>nd</sup> . Alt. Rep.	TBN					
Ex-Officio Members						
Leadership Formation	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C
Campus Ministry Rep.	Greg Oberg (Alternate)	C	M	Extension-SHSU Wesley Foundation Dir	W	C
Campus Ministry Rep.	Tom Teekell (without vote)	C	M	Extension-SFA Wesley Foundation Director	E	C
Campus Ministry Rep.	Katy Haislet (Alternate)	C	M	Extension-TAMU Wesley Foundation Dir	W	C
Chaplain Rep.	Cecil Duffie	A	M	Wiley College		

**CHURCH LEADERSHIP TEAM (10 + 2 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
	Melvin Amerson (2)	A	M	Texas Methodist Foundation	W	C
	Carla Price (2)	A	F	Galveston-UTMB	S	C
	Cletis Rogers (2)	C	M	Spring-Spring Community	CN	C
	Chris Waks (2)	C	M	Lexington-Lexington	W	C
<b>Chair</b>	Julius Wardley (2)	A	M	Beaumont-St James	SE	C
	<i>Recommendation to leave vacancies this year as they revision for the next quadrennium.</i>					
<b>Ex-Officio Members</b>						
<b>Leadership Formation</b>	Deborah Hawboldt	C	M	Director of Leadership Formation	CN	C
<b>Leadership Formation</b>	Ana Robles	C	F	Pasadena-Sunset	S	L

**RACIAL AND ETHNIC MINISTRIES TEAM (12 + 3 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
	Rosa Alfaro (2)	H	F	Houston-CrossRoads	S	L
	*Brandy Dudley (1)	A	F	Palestine-Grace	NW	L
	Margi Duncan (2)	H	F	Houston-El Mesias	CS	L
	*Valerie Garza (1)	H	F	Katy-Aviva	SW	L
	Hilda Gradnigo (2)	A	F	Houston-Trinity	CS	C
	*Jennifer Gunner (1)	A	F	Port Arthur-St Paul's	SE	L
	*Carol Johnson (1)	A	F	La Marque-McKinney Memorial	S	L
<b>Chair</b>	David Johnson (2)	A	M	Houston-Lakeside	CN	C
	Jocelyn Lee (2)	A	F	Houston-Trinity East	CS	L
	*Lataya Simpson (1)	A	F	Bellaire-Bellaire	CS	C
	Mike Whang (2)	As	M	Missouri City-Oikon New Faith	SW	C
	Danny Yang (2)	As	M	LOA	CS	C
<b>Ex-Officio Members</b>						
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C

<b>Leadership Formation</b>	Dayimi Pimentel	H	F	Racial & Ethnic Ministry Coordinator	CS	C

**BOARD OF LAITY TEAM (14 + 3 ex-officio)**

<b>Office</b>	<b>Name (Years)</b>	<b>Race</b>	<b>Gender</b>	<b>Church</b>	<b>District</b>	<b>Comments</b>
<b>Chair</b>	John Esquivel (7)	H	M	Houston-First	CS	L
<b>District Reps</b>						
<b>CLM Coordinator</b>	Joan Appleton (1)	C	F	Magnolia-Wildwood	CN	L
	Juanita Jackson (7)	A	F	Houston-Trinity East	CS	L
	*Sharron Mills (1)	C	F	San Augustine-McMahan's Chapel	E	L
	Joe Stark (2)	C	M	Texarkana-Williams Memorial	N	L
	Stephanie Griffin (2)	C	F	Tyler-Fairwood	NW	L
	*Debbie Gilbert (1)		F	Pearland-First	S	L
	*Robin Snoek (1)	A	F	Beaumont - First	SE	L
	Linda Elms (2)	C	F	Katy-St. Peter's	SW	L
	*Rose Cates (1)	C	F	Bryan-New Church Start	W	L
<b>CLM</b>	Thomas Glen Barnhill (1)	A	M	Houston-Covenant of Faith	CS	L
<b>Laity Unleashed Rep.</b>	Allison Hicks (1)	C	F	Spring-Klein	CN	L
<b>Lay Speaker</b>	Rhonda Miller (1)		F	Houston-Trinity East	CS	L
<b>Lay Servant</b>						
<b>Ex-Officio Members</b>						
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C

**COMMITTEES UNDER CENTER FOR CONNECTIONAL RESOURCES**  
**COUNCIL ON FINANCE & ADMINISTRATION (22 + 10 ex-officio)**

<b>Office</b>	<b>Name (Years)</b>	<b>Race</b>	<b>Gender</b>	<b>Church</b>	<b>District</b>	<b>Lay or Clergy</b>
<b>Nominees</b>						
<b>Class of 2028 Chair</b>	Don Morriss (2)	C	M	Texarkana-Williams Memorial	N	L
<b>Class of 2024</b>	Lisa Callaway (6)	C	F	Houston-St Philips	CS	C

<b>Class of 2024</b>	*Peter Cammarano (1)	C	M	League City-League City	S	C
<b>Class of 2024</b>	James Cermin (2)	C	M	Deer Park-Deer Park	S	L
<b>Class of 2024</b>	Jane Erskine (6)	C	F	Houston-Memorial Dr	SW	L
<b>Class of 2024</b>	Enid Henderson (6)	A	F	Houston-Ebenezer	CS	C
<b>Class of 2024</b>	*Keith Palmer (1)	C	M	Pasadena-Asbury	S	L
<b>Class of 2024</b>	Debra Russell (6)	A	F	Baytown-St Emily	S	L
<b>Class of 2024</b>	Keith Somerville (2)	A	M	Houston-Riverside	CS	C
<b>Class of 2024</b>	Steve Westbrook (2)	C	M	Nacogdoches-First	E	L
<b>Class of 2028</b>	Bert Bagley (2)	C	M	Galveston-Moody PEF	S	C
<b>Class of 2028</b>	*Brian Brooks (1)	C	M	Dickinson-First	S	C
<b>Class of 2028</b>	Diana Choma (2)	C	F	Pasadena-Asbury	S	L
<b>Class of 2028</b>	*Donyale Fraylon (1)	A	F	Houston-Clear Lake	S	C
<b>Class of 2028</b>	*Carroll Greenwaldt (1)	C	M	Longview-First	N	L
<b>Class of 2028</b>	Jody Griggs (2)	A	F	Houston-Westbury	CS	L
<b>Class of 2028</b>	Gail Harrelson (2)	C	F	Retired	N	C
<b>Class of 2028</b>	*Patricia Lund (1)	C	F	Centerville-First	W	C
<b>Class of 2028</b>	Greg Nelson Jr. (2)	C	M	Houston-Memorial Dr	SW	L
<b>Class of 2028</b>	Loraine Vienn (4)	A	F	Houston-Trinity East	CS	L
<b>GCFA Member</b>	Reggie Clemons (2)	A	M	Pearland-First	S	C
<b>GCFA Member</b>	Mary Daffin (2)	A	F	Houston-First	CS	L
<b>Ex-Officio Members</b>						
<b>Cabinet Representative</b>	Vincent Harris	A	M	District Superintendent	S/SE	C
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	S	C
<b>Connectional Resources</b>	Rochelle Cebrun	A	F	Staff Accountant	CS	L
<b>Assistant to the Bishop</b>	Romonica Malone-Wardley	A	F	Assistant to the Bishop	SE	C
<b>Bishop</b>	Bishop Cynthia Fierro Harvey	H	F	Bishop	-	C
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C
<b>Connectional Resources</b>	Mark Hellums	C	M	Controller	CN	L
<b>GHB/Pensions Rep.</b>	Greg Williams	C	M	Houston-Chapelwood	CS	L

**BOARD OF TRUSTEES (14 + 3 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
<b>Class of 2024</b>	Steve Ash (2)	C	M	Houston-Memorial Drive	SW	L
<b>Class of 2024</b>	*Justin Flint (1)	C	M	Houston-St Paul's	CS	L
<b>Class of 2024</b>	Dan Gilliam (6)	C	M	Marshall-Grange Hall	N	C
<b>Class of 2024</b>	George Johnson (2)	A	M	Houston-Windsor Village	S	L
<b>Class of 2024</b>	*Todd Jordan (1)	C	M	Kingwood-Strawbridge	CN	C
<b>Class of 2024</b>	*Kefentse Risher (1)	A	M	College Station-First	W	C
<b>Class of 2024 Chair</b>	Hal Sharp (6)	C	M	Bellaire-Bellaire	CS	L
<b>Class of 2028</b>	*Holly Boyd (1)	C	F	Tyler-Fairwood	NW	L
<b>Class of 2028</b>	Mark Kidd (2)	C	M	Houston-St Luke's	CS	L
<b>Class of 2028</b>	*John Mercy (1)	C	M	Texarkana-Williams	N	L
<b>Class of 2028</b>	Preston Morgan (2)	C	M	Houston-Clear Lake	S	C
<b>Class of 2028</b>	*Stephen Rhodes (1)	C	M	League City-Bay Harbour	S	C
<b>Class of 2028</b>	Tom Teekell (2)	C	M	Lufkin-SFA Wesley Foundation Director	E	C
<b>Class of 2028</b>	Marti Thorne (2)	C	F	Katy-St. Peter's	SW	L
<b>Class of 2028</b>						
<b>Class of 2028</b>	*Kate Walker (1)	C	F	Houston-Grace	CS	C
<b>Ex-Officio Members</b>						
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	S	C
<b>Connectional Resources</b>	Mark Hellums	C	M	Controller	CN	L
<b>Connectional Resources</b>	Will Reed	C	M	Chief Operating Officer	S	C

**SAFE SANCTUARY (8 + 2 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
<b>Class of 2024</b>	Jerome Brimmage (2)	C	M	Missouri City-First	SW	C
<b>Class of 2024</b>	Terry Dougherty (2)	C	F	Ext Min-Big Brothers & Sisters	W	C
<b>Class of 2024 Chair</b>	Raegan Seaton (2)	C	F	Montgomery-Montgomery	CN	C
<b>Class of 2024</b>	Tiffin Wilsford (2)	C	M	Houston-St Paul's	CS	L
<b>Class of 2028</b>	*Brant Graham (1)	C	M	Texarkana-First	N	C

<b>Class of 2028</b>	*Kelsey Johnson (1)	C	F	Houston-Memorial Drive	SW	L
<b>Class of 2028</b>	*Lataya Simpson (1)	A	F	Bellaire-Bellaire	CS	C
<b>Class of 2028</b>	Leo Tyler (2)	A	M	Houston-Bear Creek	SW	C
<b>Class of 2028</b>	TBS					
<b>Ex-Officio Members</b>						
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	S	C
<b>Conference Consultant</b>	Rochelle Cebrun	C	F		CS	L
	Ginger Neely	C	F			L

**COMMISSION ON ARCHIVES & HISTORY (13 + 3 ex-officio)**

<b>Office</b>	<b>Name (Years)</b>	<b>Race</b>	<b>Gender</b>	<b>Church</b>	<b>District</b>	<b>Comments</b>
<b>Chair</b>	Jacob Smith (5)	C	M	Bryan-St. Luke's	W	C
<b>Districts</b>						
	Jane Frantz (2)	C	F	Deer Park-Deer Park	S	L
					CN	
	Gary Hickman (6)	C	M	Houston-First	CS	L
	Sharron Mills (2)	C	F	San Augustine-McMahon's Chapel	E	L
	Donna Hutcherson (2)	C	F	Hallsville-First	N	L
	Cynthia Kethley (2)	C	F	Lake Jackson-Chapelwood	S	L
	Jamie Morrison (2)	C	F		W	L
	Ruby Nelson (2)	C	F	Retired	SE	C
	Meg Taylor (2)	C	F	Retired	NW	C
<b>At-Large Members</b>						
	Faulk Landrum (5)	C	M	Retired	NW	C
	Anita Punch (2)	A	F	Houston-Trinity	CS	L
	TBN					
<b>Ex-Officio Members</b>						
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	C	C
<b>Conference Historian</b>	Bill Hardt (2)	C	M	Brenham-First	W	L
<b>Conference Archivist</b>	TBA					



**BOARD OF PENSION (16 + 4 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
<b>Class of 2024</b>	Carolyn Bowyer (6)	C	F	Nacogdoches-First	E	L
<b>Class of 2024</b>						
<b>Class of 2024</b>	Sandra Hall (6)	A	F	Houston-Clinton Park	CS	C
<b>Class of 2024</b>	Steve Jones (6)	C	M	Longview-First	N	L
<b>Class of 2024</b>	Joel McKinnon (5)	C	M	Angleton-First	S	C
<b>Class of 2024</b>	*Marty Vaughan (1)	C	F	Waskom-First	N	L
<b>Class of 2024 Chair</b>	Greg Williams (5)	C	M	Houston-Chapelwood	CS	L
<b>Class of 2024</b>	Fred Willis (2)	C	M	Katy-Holy Covenant	SW	C
<b>Class of 2028</b>	*Glen Barnhill (1)	C	M	Houston-Covenant of Faith	CS	L
<b>Class of 2028</b>	Kevin Benedict (2)	C	M	Fairfield-First	NW	L
<b>Class of 2028</b>	Ginny Griggs (2)	C	F	Houston-St Marks/FAM	S	C
<b>Class of 2028</b>	*Andrew Hook (1)	C	M	Magnolia-Magnolia	CN	C
<b>Class of 2028</b>	Joy Johnston (2)	C	F	Houston-Chapelwood	CS	C
<b>Class of 2028</b>	*Justin Mikulencak (1)	C	M	Sugar Land-Parkway	SW	C
<b>Class of 2028</b>	Meredith Mills (2)	C	F	Houston-Westminster	CS	C
<b>Class of 2028</b>	*Carlos Phillips (1)	A	M	La Marque-McKinney Memorial	S	C
<b>Ex-Officio Members</b>						
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	S	C
<b>GHB Chair</b>	Seann Duffin (2)	C	M	Bellaire-Bellaire	CS	C
<b>Wespath</b>	Stacie Hawkins	A	F	Houston-Windsor Village	S	L
<b>Connectional Resources</b>	Mark Hellums	C	M	Benefits Auditor	-	L
<b>Connectional Resources</b>	TBS			Benefits Administrator	-	
<b>CFA Rep.</b>	Keith Somerville	A	M	Houston-Riverside	CS	C
<b>Cabinet Rep.</b>	Steve Woody	C	M	District Superintendent	N/E	C
<b>Wespath</b>	TBS					

**GROUP HEALTH BENEFITS (13 + 4 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
<b>Class of 2024 Chair</b>	Seann Duffin (6)	C	M	Bellaire-Bellaire	CS	C

<b>Class of 2024</b>	Jeff Dungan (6)	C	M	Pittsburg-First	N	C
<b>Class of 2024</b>	David Horton (6)	C	M	Spring-Faith	CN	C
<b>Class of 2024</b>	*Michelle Manuel (1)	C	F	Houston-St Luke's	CS	C
<b>Class of 2024</b>	Laura Rhoads (6)	C	F	League City, Bay Harbour	S	L
<b>Class of 2024</b>	*Irv White (1)	A	M	Houston-Ashford	SW	C
<b>Class of 2028</b>	John Eshleman (2)	C	M	Cypress-Cy-Fair	CN	L
<b>Class of 2028</b>	Hazel Jackson (2)	C	F	Retired	SW	C
<b>Class of 2028</b>	*Paul Meiller (1)	C	M	Houston-Chapelwood Fair Haven	CS	C
<b>Class of 2028</b>	Charlotte Newton (2)	A	F	Houston-First	CS	L
<b>Class of 2028</b>	*Keith Palmer (1)	C	M	Pasadena-Asbury	S	L
<b>Class of 2028</b>	*Valerie Sansing (1)	C	F	Spring-Community Church	CN	C
<b>Class of 2028</b>	Nicki Zeisig (2)	C	F	Katy-St. Peter's	SW	L
<b>Ex-Officio Members</b>						
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	S	C
<b>Connectional Resources</b>	Mark Hellums	C	M	Controller	-	L
<b>Connectional Resources</b>	TBS			Benefits Administrator		
<b>CFA Rep.</b>	Keith Somerville (2)	A	M	Houston-Riverside	CS	C
<b>Cabinet Rep.</b>	Steve Woody	C	M	District Superintendent	N/E	C
<b>BOP Chair</b>	Greg Williams (Chair) (2)	C	M	Houston-Chapelwood	CS	L

#### INVESTMENT COMMITTEE

<b>Office</b>	<b>Name (Years)</b>	<b>Race</b>	<b>Gender</b>	<b>Church</b>	<b>District</b>	<b>Lay or Clergy</b>
<b>Nominees</b>						
<b>Chair</b>	Buck Thornton (2)	C	M	Winnie-First	SE	L
	*Robby Bates (1)	C	M	Dekalb-First	N	L
	Stephanie Hughes (2)	C	F	Texas City-St John's	S	C
	Bill Kellond (2)	C	M	Montgomery-Montgomery	CN	L
	*Andy Noel (1)	C	M	Retired	CS	C
	*Mary Linda Portner (1)	C	F	Houston-St Paul's	CS	L
	Claude Ruth (2)	A	M	Houston-_____	SW	C
	*Clarence White (1)	A	M	Galveston-St Paul's	S	C
	BT Williamson (2)	C	M	Retired	CN	C
<b>Ex-Officio Members</b>						
<b>Connectional Resources</b>	Robert Besser	C	M	Treasurer	S	C
<b>GHB Chair</b>	Seann Duffin (Chair) (5)	C	M	Bellaire-Bellaire	CS	C

<b>ATTB</b>	Romonica Malone-Wardley	A	F	Assistant to the Bishop	SE	C
<b>Connectional Resources</b>	Mark Hellums	C	M	Controller	-	L
<b>CFA Chair</b>	Don Morriss (2)	C	M	Texarkana-Williams Memorial	N	L
<b>BOP Chair</b>	Greg Williams (Chair) (5)	C	M	Houston-Chapelwood	CS	L

**JOINT COMMITTEE ON MEDICAL LEAVE (0 + 9 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Ex-Officio Members</b>						
<b>Connectional Resources</b>	Robert Besser	C	F	Treasurer	S	C
<b>Pensions Rep. 1</b>	Sandra Hall (1)	A	F	Houston-Clinton Park	CS	C
<b>Pensions Rep. 2</b>	TBS					
<b>Disabilities Rep.</b>	Bill Newcomb (2)	C	M	Retired	CN	C
<b>Cabinet Rep.</b>	Elijah Stansell	A	M	District Superintendent	CS	C
<b>Pensions Rep. 3</b>	Greg Williams (2)	C	M	Houston-Chapelwood	CS	L
<b>BOM Rep. 1</b>	Tommy Williams (5)	C	M	Beaumont-Trinity	SE	C
<b>Pensions Rep. 4</b>	Fred Willis (2)	C	M	Katy-Holy Covenant	SW	C
<b>BOM Rep. 2</b>	Gary Wooley (5)	C	M	Houston-Memorial Dr	SW	L

**COMMITTEE ON EPISCOPACY (14 + 3 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
<b>Chair</b>	Deborah Vaughn (2)	A	F	Houston-Abiding Faith	CS	C
	Tom Abbage (2)	A	M	Beaumont-McCabe Roberts	SE	L
	Mary Brown (6)	C	F	Tyler-Fairwood	NW	L
	*Becky Butler (1)	C	F	Longview-Winterfield	NW	L
	Les Griffin (5)	C	M	Tyler-Fairwood	NW	L
	*Bill Avera (1)	C	M	Jacksonville-St Matthew's	NW	L
	*Linda Marr (1)	C	F	College Station A&M	W	L
	Thomasine Johnson (6)	A	F	Houston-Windsor Village	S	L
	*Josef Klam (1)	C	M	Houston-Chapelwood	CS	C
	Jeff McDonald (2)	C	M	Houston-St Paul's	CS	C
	*Jordan Morgan (1)	C	F	Houston-Clear Lake	S	L

	*Patsy Morriss (1)	C	F	Texarkana-Williams	N	L
	Tom Pace (6)	C	M	Houston-St Luke's	CS	C
	Virginia Wall (6)	A	F	Houston-St Matthews	CS	C
<b>Ex-Officio Members with Vote</b>						
<b>Lay Leader</b>	John Esquivel (2)	H	M	Houston-First	CS	L
	Don House (2)	C	M	College Station-A&M	W	L
<b>Ex-Officio Members without Vote</b>						
<b>Bishop</b>	Bishop Cynthia Fierro Harvey	H	F	Bishop	TAC	C

**COMMITTEES NOMINATED BY THE BISHOP AND ELECTED BY TAC  
BOARD OF ORDAINED MINISTRY (51 + 17 ex-officio)**

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Nominees</b>						
<b>Clergy – Class of 2024</b>						
	Alicia Coltzer Besser (2)	C	F	Galveston-Moody First	S	C
<b>Local Pastor Registrar</b>	Jesse Brannen (2)	C	M	Texarkana-Williams Memorial	N	C
	David Briggs (6)	A	M	Lufkin-Abundant Life	E	C
<b>Chair, Clergy Mentors</b>	Lorraine Brown (6)	A	F	Nacogdoches-First	E	C
	Jeff McDonald (2)	C	M	Houston-St. Paul's UMC	CS	C
<b>CHAIR</b>	Linda Christians (10)	C	F	Houston-St. Luke's	CS	C
<b>Chair, Residency Effectiveness</b>	Eleanor Colvin (3)	A	F	Houston-Westbury	CS	C
<b>Cabinet Rep.</b>	Elizabeth Duffin	C	F	District Superintendent	CN/SW	C
<b>Secretary</b>	Brandi Horton (6)	C	F	Houston-St Paul's	CN	C
<b>Coord. Licensing School</b>	Mike Lindstrom (6)	C	M	Brenham-First	CN	C
<b>Psychological Officer</b>	Melissa Maher (5)	C	F	Houston-Chapelwood	CS	C
	Luis Ramirez (6)	H	M	Baytown/Mont Belvieu- NFC	CN	C
	Lani Rousseau (2)	C	F	Orange-First	SE	C
	Carol Turner (6)	C	F	Retired	N	C
	Tommy Williams (6)	C	M	Beaumont-Trinity	SE	C
<b>Deacons-Diaconals – Class of 2024</b>						
	Carrie Leader (6)	C	F	Extension-Houston ReVision	SW	C

Laity – Class of 2024						
	Wayne Haglund (2)	C	M	Lufkin-First	E	L
	Debbie Moffett (6)	C	F	Houston-Memorial Dr	SW	L
	Gary Wooley (6)	C	M	Houston-Memorial Dr	SW	L
	Teresa Rossy (6)	C	F	Houston-Chapelwood	CS	L
Clergy - Class of 2028						
	Steffon Arrington (2)	A	M	Houston-Spring Woods	CN	C
<b>Coord. Licensing School</b>	Ingrid Beguiristian (2)	H	F	Chandler-Lake Palestine	NW	C
	Mark Grafenreed (2)	C	M	Houston-Windsor Village	S	C
	Preston Greenwaldt (2)	C	M	College Station-A&M	W	C
<b>DCOM Trainer</b>	Katy Haislet (1)	C	F	College Station-Texas A&M Wesley Foundation	W	C
	Daniel Irving (2)	C	M	Sugar Land-Christ	SW	C
	Ed Jones (2)	A	M	Houston-Trinity	CS	C
	Mireya Martinez (2)	H	F	Pattison-Pattison	SW	C
	Lawrence Young (2)	A	M	Spring-Klein	CN	C
Deacons-Diaconals– Class of 2028						
	Amy Bezecny (1)	C	F	Extension-Cultivating Families	SW	C
	Whitney Peper (1)	C	F	Katy-St Peters	SW	C
Laity – Class of 2028						
	Sandy Baker (2)	C	F	Onalaska-Onalaska	E	L
<b>Professional Certification</b>	Elizabeth Bucher (1)	C	F	Katy-St Peters	SW	L
	DeEsta Garrett (2)	C	F	College Station-A&M	W	L
Ex-Officio Cabinet Reps						
<b>Cabinet Rep</b>	Elizabeth Duffin	C	F	District Superintendent	SW/CN	C
Ex-Officio Members (with voice & vote)						
<b>Chair-Order of Deacons</b>	DeAndre Johnson (2)	A	M	Houston-Memorial Drive	SW	C
<b>COS Trainer</b>	Rita Sims (2)	C	F	Retired	NW	C
<b>Chair-Order of Elders</b>	Lawrence Young (2)	A	M	Spring-Klein	CN	C
<b>Chair- Fellowship of Local Pastors</b>	TBS					
<b>CN – DCOM Chair</b>	Deanna Young (1)	C	F	Magnolia-Wildwood	CN	C
<b>CS – DCOM Chair</b>	Betty Owens Geary (2)	C	F	Houston-St. Luke's	CS	L
<b>E – DCOM Chair</b>	Nathan Hodge (2)	C	M	Nacogdoches-First	E	C
<b>N – DCOM</b>	Jay Jackson (2)	C	M	Longview-First	N	C

Chair						
<b>NW – DCOM Chair</b>	Erin Muckleroy (1)	C	F	Canton-Colfax Circuit	NW	C
<b>S – DCOM Chair</b>	Stephanie Hughes (2)	C	F	Texas City-St. John's	S	C
<b>SE – DCOM Chair</b>	Josh Hale (1)	C	M	Liberty-First	SE	C
<b>SW – DCOM Chair</b>	Brad Morgan (1)	C	M	Houston, Memorial Drive	SW	C
<b>W – DCOM Chair</b>	Katy Ware Haislet (2)	C	F	College Station A&M Wesley Foundation	W	C
<b>Ex-Officio Members (with voice)</b>						
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C
<b>Candidacy Manager</b>	TBS					

#### COMMITTEE ON INVESTIGATION (16)

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Clergy</b>						
	Alicia Besser (2)	C	F	Galveston-Moody First	S	C
	Jeff McDonald (2)	C	M	Houston-St. Paul's	CS	C
	Virginia Wall (2)	A	F	Houston-St. Matthew's	CS	C
	B.T. Williamson (2)	C	M	Retired	CS	C
<b>Laity</b>						
	Jan Floro (2)	C	F	Spring-Faith	CN	L
	TBN					
<b>Clergy Alternates</b>						
	TBN					
	Jay Jackson (2)	C	M	Longview-First	N	C
<b>Laity Alternates</b>						
	Ann Arnett (2)	C	F	Retired Diaconal	CS	L
	Ken Blanchard (2)	C	M	Houston-St. Luke's	CS	L
	Fannie Parker (2)	C	F	Retired Diaconal	CS	L
	Gary Showalter (2)	C	M	Retired Diaconal	CN	L
<b>Ex-Officio Members</b>						
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C

### ADMINISTRATIVE REVIEW (5)

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Clergy</b>						
	Hazel Jackson (2)	A	F	Retired	SW	C
	Sandra Smith (6)	C	F	Retired	SW	C
	TBN					
<b>Alternates</b>						
	Karen Dorris	C	F	Retired	SW	C
	Terry Thompson	C	M	Retired	CS	C
<b>Ex-Officio Members</b>						
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C

### EMERGING LEADER'S ENDOWMENT (8 + 4 ex-officio)

Office	Name (Years)	Race	Gender	Church	District	Lay or Clergy
<b>Class of 2023</b>						
	Eleanor L. Colvin (3)	A	F	Houston-Westbury	W	C
	Patsy Morriss (4)	C	F	Texarkana-Williams Memorial	N	L
	Celia Veselka (4)	C	F	Houston-St. Luke's	CS	L
<b>Class of 2024</b>						
	Shelley Eastland (2)	C	F	Katy-St Peters	SW	L
	*Daniel Irving (1)	C	M	Sugar Land-Christ	SW	C
<b>Chairperson</b>	Martha Walton (2)	C	F	Houston-St. Luke's	CS	L
<b>Class of 2025</b>						
	*Jay Jackson (1)	C	M	Longview-First	N	C
	*Chris Cragg (1)	L	M	Houston-Memorial Drive	SW	L
	*Luanne Talbot (1)	L	F	Jasper-Church of the Pines		L
<b>Ex-Officio Members</b>						
<b>Bishop</b>	Bishop Cynthia Fierro Harvey	H	F	Bishop of the TAC	TAC	C
<b>Leadership Formation</b>	Deborah Hawboldt	C	F	Director of Leadership Formation	CN	C

### **Quadrennial Nominations:**

2024 will be the start of a new quadrennium. We will be seeking new members for our Conference teams, boards, agencies, committees, commissions and councils. Included in this report are the descriptions of each Conference Team that has elected members. The Timeline for developing the Quadrennial Nominations Report is as follows:

- TAC 2023 a list of Ministry Teams is distributed to our lay and clergy delegates who are encouraged to take it back to their congregations encouraging participation.
- Interested persons submit a biographical profile by November 15, 2023, that includes interest and preference to serve on a particular team or teams.
- District Superintendents, Conference Leadership Team members, Center Directors and District Leadership Team members are also encouraged to make nominations.
- The Assistant to the Bishop prepares all profiles and nominations for the Conference Committee on Nominations by January 1, 2024, which will meet before January 15, 2024, to make nominations from the pool of names submitted.
- The Committee on Nominations will submit the preliminary report of the committee to the Church & Society Team to review with regards to guidelines regarding diversity from the Commission on Race and Religion. The Church and Society Team will make its recommendation by March 1.
- The final report of the Committee on Nominations will be complete by March 15 and printed in the 2024 Pre-Conference Journal. Any necessary additions to the final report of the Committee on Nominations will be presented at the 2024 Session of the Texas Annual Conference.
- Other rules guiding the TAC nominating process can be found in our Conference Rules and Structure; Section 4.

### **Texas Annual Conference Committees and Guiding 2016 United Methodist Book of Discipline Paragraphs for Elected or Designated Conference Officers include:**

- Recording Secretary of the Annual Conference (§603.7)  
Statistician (§603.7)  
Chancellor(s) (§603.8)  
Lay Leader (§607)  
Assistant to the Bishop (Director of Connectional Ministries §608.7)
- Director of Communications (§609)
- Treasurer (§619) (Director of Connectional Resources)
- Conference Leadership Team (CLT)  
In order to facilitate collaboration between Districts and simplify and streamline communications, the Core Leadership Team (CLT) will be re-structured and re-named in this proposal. It will be re-named the "Conference Leadership Team," to mirror the language used for the District Leadership Teams (DLTs). Instead of Center Directors, one District Superintendent, and District representatives (the current model), the new CLT will include:

#### **Composition:**

- Bishop (chair, with voice, non-voting)
- All 9 District Superintendents (with voice and vote)



- All 9 District Leadership Team Chairpersons- the District Superintendents will necessarily need to collaborate in their selection of DLT Chairpersons in order to maintain our commitment to lay and clergy representation and all aspects of diversity in the TAC (with voice and vote)
- 4 at-large positions to ensure laity, young lay and clergy leaders, and TAC ethnicities are well represented (with voice and vote)
- Conference Lay Leader (with voice and vote)
- Conference Communications Director (with voice, non-voting)
- Center Directors (2) (with voice, non-voting)
- Assistant to the Bishop (with voice, non-voting)

The Bishop will preside. The Assistant to the Bishop will help organize and direct the work of the CLT. To reorient Conference work from generating programs to facilitating, resourcing, and empowering District and local church ministries to implement contextually appropriate missions and ministries in their geographic areas, the CLT as a whole will focus on collaboration, accountability and innovation, and organize itself into sub-teams to focus in those three areas and on other areas, as needed.

- **Collaboration Sub-Team**

The CLT Collaboration Sub-Team will seek to facilitate collaboration throughout the connection by focusing on how local churches, Districts, and Conference centers and ministries can cooperate in partnership with one another by sharing best practices and creating channels through which these practices can be disseminated, and by creating cross-connection task forces, as needed, through which people can work together toward common goals

- **Accountability Sub-Team**

The CLT Accountability Sub-Team will work to assure that this strategic proposal is implemented and all strategic foci are accomplished. In covenant with one another, this Sub-Team will seek to hold themselves and their CLT colleagues accountable to accomplish the work the Conference has entrusted to them.

The Accountability Sub-Team will be responsible for scheduling an external “Ministry Audit” every two years. During this “Ministry Audit,” an outside professional will be engaged to review Conference progress toward implementing this proposal and accomplishing its strategic foci, help the CLT articulate measurable outcomes and set clear benchmarks, and then make a full report to the CLT and to the Annual Conference.

The Accountability Sub-Team will also maintain regular contact with District Leadership Teams (DLTs). The CLT will offer guidance and direction regarding the structure, scope and functioning of each DLT, and will ensure that DLTs across the conference function consistently and with integrity, while allowing for contextualization.

- **Innovation Sub-Team**

As part of the 2020 TAC Strategic Mapping Team proposal, funds were allocated to the Conference Leadership Team to support innovative ministries designed to make disciples of Jesus Christ. A “task force” within the Conference Leadership Team was created to design a process by which districts would access these new Conference Funds.

In 2022, the Innovation Task Force presented two opportunities for local churches to participate in an “Innovation Lab” – a day conference with innovation presenters and exercises and introduction of the application process. These labs were well attended and surveys support that those in attendance found the information and exercise valuable.

The Innovation Task Force held 2 Innovation Labs (in Kilgore and Houston) with a total of 75 church leaders representing all districts in attendance. We had two grant cycles (spring and fall). In total, 17 grants were awarded funds totaling \$123,522.24.

Some of the churches and projects receiving grants include:

A Blessing Barn community feeding program – Canton, Holly Springs UMC

G.R.A.C.E. after school program – Pasadena, Sunset UMC

Sawmill Park, a community park – Lufkin, Keltys UMC

Catapulting Into Innovation, livestream equipment – LaPorte, St. Mark's UMC

Galveston Transitional Housing Project – Galveston, Central UMC

Fishing 2.0 program to reach millennials and GenZ – LaMarque, McKinney Memorial

The Disability Project: Circle of Love – Houston, CrossRoads UMC

The Community of Love evangelism program – Angleton, Community of Love UMC

HART Ministry (Healing Artistic Relational Transformation) fine arts – Fannett, Faith UMC

Good Samaritan Ministry food program – LaMarque, First UMC

Special Needs Social Club – Houston, Glenbrook UMC

The Soul Food Café introducing ALPHA to 3<sup>rd</sup> Ward – Houston, Trinity UMC

Digital Evangelism – Houston, Servants of Christ UMC

In 2023, we will follow-up with all of the 2022 grant recipients as the grant application clearly defined that a report on how funds were spent was required. We will also reconvene the task force and anticipate implementing suggestions from our previous attendees to reach a greater number of churches and to elevate our communications.

○ **Structure:**

- To fulfill its missional mandate, the CLT will convene after Annual Conference to begin orientation and training and begin meeting together quarterly. In order to maintain momentum and communication while saving both travel time and travel costs, the CLT may also meet monthly via video conference.
- In order to be both efficient and effective, the CLT may divide into Sub-Teams or task forces in addition to the Sub-Teams listed above. All Sub-Teams and/or task forces would meet, as needed. For example, the CLT may choose to create one additional Sub-Team focused on recommending and approving Specialists, to work with the Associate Director of Church Leadership and the Center for Leadership Formation's Church Leadership Team; and a task force might be created to train District Leadership Teams.
- The large composition of the CLT creates an opportunity for any and all Sub-Teams and/or task forces to be well staffed, according to the gifts and graces of the team.

**Committees, Boards, and Teams relating to the  
Assistant to the Bishop's office**

- Annual Conference Planning Team (§603.3)
- Nominating Committee (§605.3, §610.5)
- Committee on Communications (§646)
- Missions Team (§633, §657)

- Focused on identifying Specialists and other resources to equip Districts and local churches to be signs of Christ's presence in the world;
- Including members specifically elected to focus on the areas of global ministries, sending ministries, hands-on missions, restorative justice, and mercy ministries;
- With the option of recommending an annual Conference Advance opportunity;
- Facilitated by the Assistant to the Bishop;
- Empowering a team focused specifically on Disaster Readiness, which will be facilitated by the Disaster Readiness Coordinator; and
- Empowering a team focused specifically on the "We Love All God's Children" (WLAGC) initiative, which will be facilitated by the WLAGC Director.
- Church and Society Team (§629, §642, §643, §644, §653)
  - Focused on identifying Specialists and other resources to equip Districts and local churches to relate the gospel of Jesus Christ to members of local churches and the world in which they live;
  - Including members specifically elected to focus on the areas of social principles implementation, church and society, religion and race, health and welfare, parish and community development, peace with justice ministries, disability concerns, the status and role of women, and Christian unity and interreligious concerns; and
  - Facilitated by the Assistant to the Bishop.

#### **Committees, Boards, and Teams relating to the Center for Leadership Formation**

- Board of Ordained Ministry (BOM) (§635)  
Note: Although the Director of the Center for Leadership Formation serves as the Conference staff liaison to the BOM, this Board does not report to the Center, but is directly amenable to the Annual Conference (§635.b).
- Clergy Leadership Team
  - Including all functions of the current Clergy Accountability Team, Clergy Recruitment Team, Clergy Development and Spiritual Formation Team, Extension Ministries Team, and Sexual Ethics Committee;
  - Facilitated by the Associate Director for Clergy Leadership.
- Emerging Leaders Endowment Trustees Board (ELE)
- Commission on Equitable Compensation (§625)
- Committee on Investigation
- Administrative Review Committee (§636)
- Board of Laity (§631)
  - Focused on identifying Specialists and other resources to equip laity in Districts and local churches for leadership;
  - Chaired by the Conference Lay Leader;
  - Including District Lay Leaders as members;
  - Including member(s) specifically elected to represent Lay Servant, Lay Speaker, Certified Lay Ministries, and Laity Unleashed; and
  - Sharing with the Church Leadership Team a focus on Lay Leadership.
- Board of Higher Education and Campus Ministry (BHECM) (§634)
- Church Leadership Team (§630, §644, §645, §647, §648, §654, §655)

- Focused on identifying Specialists and other resources to equip clergy and lay leaders in Districts and local churches to make disciples of Jesus Christ for the transformation of the world;
- Including members specifically elected to focus on all the areas of discipleship, including evangelism, worship, stewardship, Christian formation and devotional life, children, youth, young adults, older adults, small membership churches, and camping ministries;
- Offering a Conference connection to United Women in Faith (UWF), United Methodist Men (UMM), and scouting ministries;
- Sharing with the Board of Laity a focus on Lay Leadership; and
- Facilitated by the Associate Director of Church Leadership.
- Racial and Ethnic Ministries Team (§632, §654, §655)
  - Focused on recommending Specialists and other resources to equip Districts and local churches to minister with and to racial and ethnic constituencies;
  - Including members elected to represent African-American, Asian, Hispanic, Native American, and other ethnicities with whom and to whom Texas Annual Conference churches minister;
  - Facilitated by the Racial and Ethnic Leadership Coordinator; and
  - Empowering a team focused on the African-American Church Initiative (AACI), and relating to Black Methodists for Church Renewal (BMCR), which will be facilitated by the Director of AACI.
  - Empowering a team focused on Hispanic Ministry, facilitated by the Racial and Ethnic Leadership Coordinator.
- 

#### **Committees, Boards, and Teams relating to the Center for Connectional Resources**

- Council on Finance and Administration (CF&A) (§611, §612)
 

Note: Although the Director of the Center for Connectional Resources serves as the Conference staff liaison to CF&A, this Council does not report to the Center, but is directly amenable to the Annual Conference (§612.6).
- Board of Trustees (BOT) (§2512, §638)
  - Note: Although the Director of the Center for Connectional Resources serves as the Conference staff liaison to the BOT, this Board does not report to the Center, but is directly amenable to the Annual Conference (§2512.2).
  - Facilitated by the Director of the Center for Connectional Resources; and Empowering teams specifically focused on the Episcopal Residence and Conference Cemetery.
- Committee on Episcopacy (§637)
- Commission on Archives and History (§641)
- Safe Sanctuary Team
- Board of Pensions (§639)
- Group Health Benefits Committee (§639.7)
- Joint Committee on Medical Leave (§652)

Conference Lay Leader's Report  
Mr. John Esquivel,  
Conference Lay Leader

Sisters and Brothers,

I look forward to seeing all of you at Annual Conference in May!

This has been a difficult season for many of us. With many of our dear friends and churches choosing to go in a different direction, we find ourselves a smaller Conference when measured in number of churches. Many of the faces we had grown accustomed to seeing every May may not be here. The reality of their departure may be sinking in for the first time for many of us. Some of us may still be grieving over the loss. Some may be mad or disappointed. If you are feeling any of those emotions, please know that it is ok. Everyone processes loss in different ways and over different timelines. However, please know that your church, your Conference and more importantly, your Lord and Savior, Jesus Christ are with you. Your local church, Conference and Jesus Christ are ready to join you as we look to the future of ministry together.

Clearly, our conference has been pruned in the number of churches that make up our conference. But as any gardener will tell you, pruning prepares the vine for even greater fruitfulness. Pruning forces a vine to put out new branches and thus produce abundant fruit. Pruning forces a vine to focus on its purpose. At Annual Conference I will share with you a true story of a lemon tree that was severely pruned back due to a deep freeze. That tree focused all its efforts on its mission in life (to produce lemons) and thereby produced lemons beyond everyone's expectations. I think you will be amazed when I show you at Annual Conference a picture of the fruitfulness of that tree.

I believe that is where the Texas Annual Conference is today. We have the opportunity, in the words of Bishop Bickerton, President of the Council of Bishops, to Reclaim, Revive and Renew.

Let us reclaim who we have always been; a church with an evangelical mission to "make disciples of Jesus Christ for the transformation of the world." Let us focus on what it means to BE the Church and less on WHERE we go to Church. Let us Be the Church to a hurting world that is in need to hear the Good News of Jesus Christ. Let us focus on what it means to BE the Church to a world that seeks to see His love through our actions such that when we see hunger, we give food; when we see thirst we give drink; when we see a stranger we welcome them; when we see sickness we comfort; when we see the un-housed, the underserved or those that are down in spirit we show God's love through our words and action. Let those outside of our church walls want to know more about these people called United Methodist because of how we share through words and deeds the Good News of Jesus Christ.

Let us Revive our Church with new energy that comes from a fresh start. Whether you are a new faith community that has blossomed from former members of a disaffiliated church or a 100 plus year-old church that has remained United Methodist, let the Holy Spirit breathe fresh air into all of us. I believe there is great opportunity in change. I believe, once we overcome any resistance to or fear of change, there is excitement and new energy from a fresh start. May we receive a fresh outpouring of God's life-giving Spirit on His people and His church. Let Him make a new thing out of our fresh start as a Conference and the local church.

Let us Renew our love of and commitment to Jesus Christ. We may have been pruned as a Conference when measured in number of churches; but, let there be no doubt whatsoever, brothers and sisters that we have not pruned our:

“[belief] in God, the Father Almighty, maker of heaven and earth;  
And in Jesus Christ his only Son, our Lord; who was conceived by the Holy Spirit, Born of the Virgin Mary, suffered under Pontus Pilate, was crucified, dead and buried.”

We have not pruned back whatsoever our belief that:

“The third day he rose from the dead; he ascended into heaven and sitteth at the right hand of God the Father Almighty; from thence he shall come to judge the quick and the dead.”

We steadfastly:

“Believe in the Holy Spirit, the holy catholic church, the communion of saints, the forgiveness of sins, the resurrection of the body and the life everlasting. Amen.”

Yes, brothers and sisters, our Conference may have been pruned back as measured by the number of churches; however, let there be no doubt, whatsoever, that we have not pruned back our beliefs as contained in the Apostles Creed or the Articles of Religion as contained in the Book of Discipline. In fact, our beliefs are the nourishment that flows through the vine of Jesus Christ to the branches of the local church and the Conference. These beliefs will propel us to new and greater fruitfulness. These beliefs will guide us as we seek to Reclaim, Revive and Renew our Conference and local church.

This is an exciting time of a fresh start for all of us. Let us not underestimate what God has in store for us; but let us be amazed at the great things He will do through us.

I am honored to be on this journey with you.

May God continue to bless you and your ministry.

### Conference Leadership Team

It has been a year of transition for the CLT. Like many churches, we were just emerging out of the pandemic and a season of restructuring, only to find ourselves dealing with matters of disaffiliation. The last half of 2022 was spent being prepared for a called session of the Annual Conference and the first half of 2023 has been spent adjusting to a whole new landscape. To put it bluntly, the Conference Leadership Team has experienced the paralyzing impact of distractions. And yet, we have hope and we have purpose. We do have a Discipling Document that guides us into a decentralized, value driven, nimble ministry as a Texas Annual Conference. We will continue to focus on innovation, foster collaboration, and promote accountability.

*Regarding Innovation:*

- In 2022, 2 Innovation Labs were held (in Kilgore and Houston) with a total of 75 in attendance. We had two grant cycles (spring and fall). In total, 17 grants were given out totaling \$123,522.24. Some of the churches and projects receiving grants include:

- A Blessing Barn community feeding program – Canton, Holly Springs UMC
- G.R.A.C.E. after school program – Pasadena, Sunset UMC
- Sawmill Park, a community park – Lufkin, Keltys UMC
- Galveston Transitional Housing Project – Galveston, Central UMC
- Fishing 2.0 program to reach millennials and GenZ – LaMarque, McKinney Memorial
- The Disability Project: Circle of Love – Houston, CrossRoads UMC
- The Community of Love evangelism program – Angleton, Community of Love UMC
- HART Ministry (Healing Artistic Relational Transformation) fine arts – Fannett, Faith UMC
- Good Samaritan Ministry food program – LaMarque, First UMC
- Special Needs Social Club – Houston, Glenbrook UMC
- The Soul Food Café introducing ALPHA to 3<sup>rd</sup> Ward – Houston, Trinity UMC
- Digital Evangelism – Houston, Servants of Christ UMC
- In 2023, we are anticipating opening up new grants for innovation in the local setting.

#### Regarding Collaboration:

After the Annual Conference in May of 2022, the Collaboration Team did not meet, as there were no new initiatives to undertake. As this was a year of transition, time was devoted to monitoring the objectives from last year: continued review of the Discipling Strategic Plan, review of Ministry Specialists and addition of new Ministry Specialists as they were approved. We anticipate holding a meeting after this year's Annual Conference (2023) to discuss future objectives and directives for this team. We look forward with great anticipation to what the future holds for our Conference, and the role this team will play in bringing these objectives to fruition!

#### Regarding Accountability:

One year ago, the Accountability Sub-Team reported that a lot had changed since our last in person gathering as an Annual Conference in 2019. We re-stated our task to keep us faithful to the direction and vision of the Texas Annual Conference. We reported the good news that the implementation of the Strategic Mapping Plan and Discipling Document was completed ahead of schedule. We were excited to report that we built new things like the Innovation Lab. We talked about working to collaborate with each other more. The end of Annual Conference we were excited about what was to come. But we did not get to any of that. Instead the summer and fall was spent in discernment and disaffiliation conversations. When CLT met in the Fall we were not doing the work that we thought we were going to do. Instead of beginning an internal audit in January 2023, we were meeting with our new Bishop to strategize about how to minister in this time. But God has been faithfully at work in our midst, even when we didn't know it. We have begun the work of internally asking what is working and what hasn't even when we didn't label it as auditing. We've been asking, not just ourselves, but others, what do we need more of and what do we need less of. Organically we began to live into a more collaborative process that had been outlined but not yet lived. We know that God is not finished with the Texas Annual Conference of the United Methodist Church. We know that we are a work in progress and God's grace and love leads us through this time in the wilderness. But God is faithful and we will keep on pressing on.

We will continue to work with District Leadership Teams encouraging contextual ministry and connecting ministry specialists in areas of need: whether that is a coach for clergy, a youth ministry specialist, a consultant for men's ministry, or a host of other opportunities. We will continue to host Innovation Labs that prove to be catalytic in so many settings ignite imaginations for fresh ministry in growing mission fields.

<p>Church &amp; Society Team Rev. Kate Flint, Chair</p>
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In its second year, the Church and Society Team of the Texas Annual Conference has continued to develop action steps in the areas of justice and mercy. Many concerns are held dear by the members of the team but in order to make progress in any of them, the team has identified five main areas where we will focus our energy at this time: Environmental Stewardship, Early Childhood Development, Voting Access, Intercultural Dialogues, and the Status and Role of Women. Each of these areas has a dedicated team member leading and is supported by the work of the team as a whole to develop short- and long-term goals for each area. We are developing a Church and Society page that will connect your congregation with United Methodist Church and Society initiatives and offer specific resources for each of our focus areas.

#### **Environmental Stewardship**

Responding to our God-given task of Creation care, team members have begun collecting resources that will help congregations build more sustainable habits and systems. We are creating content which will be distributed through the TAC website and periodical publications so that congregations have resources for starting Green Teams and educating members on more ecologically friendly choices. Once a foundation is established, we will encourage United Methodists to engage with environmental issues more broadly, including through public policy.

#### **Intercultural Dialogues**

We recognize that paradigm-shifting encounters are better facilitated through relationship than lectures. In order to create intentional space for these relationships, we aim to build partnerships between congregations of different cultures. Each partnership will be given a curriculum for structured dinner conversations where members can meet around a table and share a brave space of learning and vulnerability with the goal of greater understanding and healing. Beyond these conversations, we look for ways that congregations may serve their communities side-by-side, working together as the Body of Christ.

#### **Status and Role of Women**

Much of our work in this area is related to measurements of progress for gender equality in appointments, voice, and representation. Following the tremendous denominational shift, this team is gathering updated information about where we see female clergy appointed in our Conference.

We support the identification of liaisons between clergy and lay leadership in churches where gender is a concern.

#### **Early Childhood Development**

Jill Daniel, leading the We Love All God's Children initiative, has continued to support and celebrate UM Children's Centers opening around our Conference to serve local communities. In addition to resourcing, updating and promoting these day schools, WLAGC is partnering with the Barbara Bush Parent Center to distribute books in the Houston area and expanding further north. The Conference will also provide training workshops for teachers, childcare staff, church volunteers and parents, connecting developmentally appropriate practices for Early Childhood with our Wesleyan theological values. We continue to match churches across the Connection that can share children's ministry resources, from swapping VBS supplies to co-hosting community events.



## Election Access

We believe that it is crucial to the health of our communities that all eligible voters have equal access to opportunities to vote. Representing the Texas Annual Conference of the United Methodist Church on the board of Texas Impact, Scott Atnip is working to connect congregations to ways to help. We encourage our churches to hold voter registration events, and prepare members to participate in election staffing by offering training or sending members to local trainings.

Texas Impact also provides information and action steps to empower Texans of faith to engage with legislation that reflects our values of justice and mercy.

In addition to these main areas of focus, the Church and Society Team has brought attention to community resources for families of children with special needs, consulted with Conference leadership to support holy conferencing in our gatherings, and collaborated with our TAC Missions Committee to seek out ways to support vulnerable populations locally and globally.

For congregational resources, service opportunities, and other information, visit our Church and Society display table during TAC 2023.

Missions Team  
Rev. Michelle Hall, Chair

God is faithful! We are all mindful that life at the Texas Annual Conference of the United Methodist Church has experienced a significant transition since the last report. The Missions Team has continued to be cognizant that the needs remain constant during the changes. The team has persevered in remaining connected and continues to seek the most meaningful and effective ways to share mission opportunities and resources with the local churches throughout the Conference.

During the year, good things have occurred. Please note the following:

The Missions' website has been recreated and provides access to the most current opportunities and resources, <https://www.txcumc.org/missions>.

Grants Awarded:

- \$50k grant to Hope Disaster Relief and Safe and Happy Homes
- \$6k grant to the University of Houston Wesley Foundation – 3rd Ward Community Garden
- \$40k grant to Mission Milby Community Development Cooperation – three-year disbursement.

Human Trafficking  
Chris Harrison, Chair

One of the most horrific human conditions, human trafficking, lurks in most of our communities, and we are called to be more mindful and prepared to address it.

Please consider getting involved. There are multiple ways to do so, and they do not compromise the safety of anyone. <https://www.txcumc.org/missions/mission-opportunities/human-trafficking-ministry/>

Grant Committee  
Pam Woody, Chair

Leading into the next appointive year, significant opportunities and substantive resources support your church's vision to equip the people to do and be in transformative ways throughout the community and beyond. We hope you will recognize, get inspired, and become the transformative agent in tandem with others as we disciple and are agents equipping others to become disciples of and for Jesus Christ.

The TAC has been blessed to have an endowment that allows the local church to envision what ministry could and should look like. The resources are not unlimited, but they are available to support ministries enabling the local church to collaborate, and partner with the community beyond the building walls as members and the community grow in (re)creating life-giving, life-changing missions.

Consider the impact your church could have on the community by engaging in the following missions or perhaps another transformative mission/ministry that God has placed on your heart.

50/50  
Cesar Martinez, Chair

We believe that we are stronger together. The team continues to explore various ways to collaborate with Mexico and Laos. Partnerships with local churches would afford opportunities for you and your congregation and move Conference efforts to extend support in substantive ways. How might you respond to these international mission opportunities? <https://www.txcumc.org/missions/mission-opportunities/in-mission-together/>

We have been pleased to follow many of the grant recipients. We are thankful for their creativity, commitment, and compassion in responding to some of the more obvious needs and out-of-the-box ingenuity in outreach to less apparent needs.

It was expressed last year, and it holds equally as valid and urgent this year that we cannot lose sight of our goal to offer compassionate and impactful responses to the needs in the mission field and join the Holy Spirit in making disciples for Jesus Christ to transform the world.

Local Schools  
Lauren Bedevian, Chair

Our communities need support like never before. Allow your church to be the heart, hands, and feet of Christ by connecting with the kids and youth. We are here to support you as you apply for a grant to launch or enhance ministry to the children and youth in the church and beyond. To learn what is being offered and organizations with which you may partner, as well as additional information, visit the website, <https://www.txcumc.org/missions/mission-opportunities/local-schools/>.

## Disaster Readiness and Response

### Rev. Godfrey Hubert

Texas Annual Conference Disaster Response continued to respond to past disasters, and in preparation for what may come. We could not have accomplished it without our collaborative partners, including Hope Disaster Recovery, The Restoration Team, Southwest Houston United Responds, and 4-B.

- **Home Repair Program:** Repaired 232 homes in 13 counties with \$1,783,600 in funding. Additionally, we rolled out the Help at Long Last program, funded by UMCOR in the amount of \$350,000 to repair 35 Hurricane Harvey damaged homes during the first half of 2023. Finally, the Safe and Healthy Homes campaign totaling \$50,000 got under way to make “honey-do” repairs to 50 homes of the elderly and disabled.
- **Donations/Hunger Relief Program:** We received and distributed basic needs, including food, appliances, cleaning products, sanitation products, personal care kits, etc. valued at over \$750,000 to 75 organizations and congregations in 12 counties, and 3 parishes.
- **Covid Relief:** Assisted 63 families with rental assistance (to avoid eviction), utility assistance, and food assistance. Additionally, we concluded an 18-month-long campaign to make the vaccine available to over 20,000 individuals living in low-income housing projects.
- **Disaster Readiness Program** (Texas Congregational Disaster Readiness.org): Trained over 500 participants for 770 hours on 11 facets of disaster response. Additionally, UMCOR provided Early Response Training (ERT) to 18 volunteers.

Congregations are encouraged to participate in two ways.

- 1) Provide skilled volunteers to help make home repairs.
- 2) Schedule disaster readiness training so the congregation will be ready to respond effectively after a disaster.

Please contact Godfrey Hubert, [gghubert@txcumc.org](mailto:gghubert@txcumc.org)

### Conference Advance

Transformation and sustainability are becoming more of a reality due to the partnership and relationships between the TAC Board of Ordained Ministry and the Methodist Church in Laos. BOM members have led in the education, resourcing, and credentialing of those who have responded to God’s call as ordained and licensed pastors. The Missions Team has collaborated with BOM to further educate and extend opportunities through the TAC to join God in the work that he began and that we have the privilege of participating in.

Through the support of the Texas Annual Conference, our partners in Laos have identified as our Conference Advance Special the priorities as WELD (Water, Education, and Leadership Development). Safe water is becoming more accessible. Support is needed for the children to become educated and reverse generational poverty. The goal of the LMI Laos Mission Initiative is to scholarship 20 students for a year; the cost is \$550.00.

Our Laotian partners thirst for education and empowerment and, as a result, continue to grow in their faith and financial strength. The Seed Project is a micro-loan program for women and their families to start small family businesses or support their existing livelihood and farming jobs. Equally as helpful is the CHAD program, Combined Health Agencies Drive to aid with sanitation projects and raising farm animals.

As God advances the people in Laos and beyond in discipleship, we have the privilege and opportunity to make a difference for the Kingdom of God through our giving to the Advance of the TAC.

We Love All God's Children  
Rev. Jill Daniel, Director



In the past year, We Love All God's Children has continued to strive to fulfill its mission to assist churches of the Texas Annual Conference in engaging with their communities to develop, expand, and enhance discipleship, early childhood literacy and positive health outcomes for all young children in a local church's mission field. Through various training events, gatherings of local church leaders, the generosity of Moody's Permanent Endowment Foundation and the furthering of partnerships with such entities as Texas Workforce Solutions, University of Texas' Children's Learning Institute, Barbara Bush Literacy Foundation, Neuhaus Education, Collaborative for Children and Lakeshore Learning, We Love All God's Children – by the power of the Holy Spirit – has assisted in discerning and devising successful strategies to equip congregations to change the trajectory of the lives of underserved and unchurched children and families throughout the Texas Annual Conference. Since we gathered last May, We Love All God's Children has...

- Opened 4 new United Methodist Children's Centers where the trajectory of the lives of underserved and unchurched children are being changed through age-appropriate discipleship, excellent early childhood education and literacy programs, and provided health resources and therapies to both children and their families.
- Worked with our 13 United Methodist Children's Centers as they strive to reach their goal of becoming Texas Rising Star 4-star centers, the highest accreditation offered by the state of Texas for licensed childcare centers. Congratulations to Bear Creek United Methodist Church Day School for leading the way as our first Rising Star 4-star center.
- Remained on target to open new or enhanced existing early childhood or after school centers at Westbury United Methodist Church, Ebenezer United Methodist Church, Fairwood United Methodist Church, and Huntsville First United Methodist Church.
- Trained new and current directors as well as other weekday staff in both our United Methodist Children's Centers and other weekday schools throughout the Texas Annual Conference.

- Coordinated connectional Vacation Bible Schools with upwards of \$20,000 worth of curriculum and decorations shared by larger congregations with smaller congregations, thus allowing more of our congregations to engage their community with the Good News of Christ through Vacation Bible School.
- Consulted with 26 local congregations regarding revitalization or the start-up of ministries to children and families.
- Partnered with the Barbara Bush Literacy Foundation to distribute more than 600 home libraries containing 12 age-appropriate books to underserved children in both our United Methodist Children's Centers and day schools.
- In partnership with Ebenezer UMC and Houston Independent School District, engaged school-age children with our 2023 Spring Break Camp. This camp gave the children of working parents a safe, healthy environment with daily breakfast and lunch as well as Vacation Bible School each morning followed by sports camp in the afternoon.
- Strengthened or began building relationships with strategic partners including those with the Barbara Bush Literacy Foundation, Collaborative for Children, University of Texas' Children's Learning Institute, Children's Museum of Houston, University of Houston, Texas Southern University, Scholastic, Discount School Supply, Lakeshore Learning and others.
- Implemented a board-led model for the discernment of various children's ministry opportunities, new United Methodist Children's Centers, and financial dealings of We Love All God's Children.

In the upcoming year, We Love All God's Children will...

- Continue to build a network of United Methodist Children's Centers throughout the Texas Annual Conference to provide a strong foundation in faith, excellent early education, health and wellness habits, parental engagement, and pathways for unchurched families to become actively involved with the local church.
- Bring additional licensed after-school centers into the ministry of United Methodist Children's Centers in order to equip local churches to answer God's call to serve a more diverse age group with unique student and family needs.
- Plant summer literacy day camps which will provide a means of preventing the summer slide in reading proficiency. Day camps will have a strong Christian ethos and will provide pathways for families to become part of local church congregations.
- Offer two Conference-wide trainings for those who work with children in Fall, 2023 featuring experts in the field of children's ministry and education. As a follow-up to the trainings, District in-person gatherings will be held to strengthen the Texas Annual Conference's commitment to love all God's children.
- Strengthen the We Love All God's Children board through trainings, feedback from local churches, and through the assignment of board members to ministries matching their individual gifts and interests.

## CENTER FOR LEADERSHIP FORMATION

Center for Leadership Formation  
Rev. Deborah Hawboldt, Director

The purpose of our center is: “to recruit, develop, and support clergy leaders, and to equip and empower the lay and clergy leaders of the Texas Annual Conference”. 2022 was a year of transition in our newly created (in 2021) center. As our churches and clergy spent time in discernment, momentum forward with our purpose was difficult to maintain. We experience staff transition in our center, and begin 2023 more lean in staff, but fully committed to living fully into our purpose.

We begin 2023 excited to move forward into a future with hope for the Texas Annual Conference – our clergy and our churches. Below you will find the reports on our center. We invite you to join us in seeing the possibilities for what God can do in the years to come. Don’t hesitate to reach out to our team to find out more and see how we can best serve you.

Clergy Leadership Team  
Rev. Marquice Hobbs, Chair

In the second year of our convening, the Clergy Leadership Team continued to focus on its goal to design, implement, and evaluate programs and systems to be most effective in recruiting, developing, and supporting the clergy of the TAC so that clergy leaders experience and re-present Jesus Christ and function as effective and accountable leaders in the TAC.

However, this year was unique. Knowing many of our clergy where in the process of disaffiliation, or processing the impact of disaffiliation, we sought to emphasize our support of the clergy in emailing targeted ways to promote mental and wholistic health. Emails spearheaded by our support sub-committee. One of which encouraged therapy and reminded clergy of the benefits they have through the conference.

Additionally, we hosted several events and programs:

- U-35 for young adults at Annual Conference
- Conference Pastoral Leadership Program
- Partnering pastors with coaches at specified intersections of ministry
- The Gathering
- And many more

As we continue to recover from the impact of the special session in December, the Clergy Leadership Team will eagerly purpose its purpose in recruiting, developing, and supporting the many beautiful, gifted, and diverse clergy of the Texas Annual Conference for years to come.

Board of Ordained Ministry  
Dr. Linda Christians, Chair

I am honored to serve as the BOM Chair and grateful to be serving along with the members of the Conference Board of Ordained Ministry (BOM), the nine District Committees on Ministry; and in coordination with the Conference Center for Leadership Formation and its staff, and with our Bishop and Cabinet. My admiration for the Conference and District staff continues to increase and it is a joy to serve with them.

The BOM's work is to be guided by our vision and mission:

Vision: Fruitful ministerial leadership in every charge of the Texas Annual Conference

Mission: The Texas Annual Conference BOM recruits, discerns, and guides individuals who feel called to ministerial leadership and credentials fruitful leaders.

The BOM coordinates the enlistment, recruitment, candidacy, and mentoring for the candidates for minister; and is responsible to ensure that the candidate's theological education is complete, the candidates are examined, and recommended to the clergy leadership on behalf of the Texas Annual Conference. The laity and clergy who comprise the BOM hold this as a privilege and high responsibility.

With this privilege and high responsibility, comes hearts that are dedicated to serve relationships that are born out of a common love for God and for one another. The BOM is also concerned for the well-being of the clergy of the TAC and plans activities to help support and provide encouragement. As such, with the events of this past year, with hearts broken and relationships fractured, the BOM worked with the Cabinet and Bishop Cynthia Fierro Harvey to provide the Reconnect Clergy Gathering held in February this year. The timing and space created for our fellow clergy to come together to be encouraged and provided hope for their future and the future of the UMC.

With fewer candidates coming for interviews, the BOM was able to modify the interviewing process so that each member of the BOM would have an opportunity to meet and interview each candidate. This proved to be worthwhile for both the candidates and the BOM.

In addition to the change in the interviewing process for the candidates, the Candidacy Leadership Team within the BOM is preparing a group mentoring plan that will better serve the candidates and those who serve as mentors.

In February, the BOM interviewed seven candidates to be provisional members of TAC. Of those, four were approved to come before the full clergy session at Annual Conference. The four candidates for provisional membership are:

David Lee - Elder

William Murphree - Elder

Ellen Elizabeth Thornburg - Elder

Kyle Austin Tremblay - Elder

At the time of this writing, the BOM has not interviewed the candidates for full membership. These interviews are scheduled for April 11.

In August of 2022, representatives of the BOM traveled to Laos to further the work of the Laos Mission Initiative. It is inspiring to hear how people have come to faith in Jesus Christ and to see churches continuing to grow in the midst of an environment that is predominantly animist and Buddhist, and not receptive to the Christian faith. During our visit, two individuals, one female and one male, were ordained as Local Pastors in Mission. Six other individuals were commissioned as Local Pastors in Mission. The goal of the TAC BOM is to: help the Laotian pastors and their congregations grow to the level that it becomes self-sustaining, that there is a sufficient number of pastors to create their own Provisional Annual Conference, and that they become more fully equipped to lead with less reliance on the TAC BOM.

If you have any questions about the work of the BOM, please feel free to contact me at [Ichristians@westumethodist.org](mailto:Ichristians@westumethodist.org).

Thank you in advance for your prayers and support for those who serve on the BOM. Again, it is an honor and privilege to serve.

Transitional Intentional Interim Ministry  
Rev. Bonnie Osteen, Program Coordinator

Transitional Intentional Interim Ministry Specialist (TIIMS) is committed to equipping congregations to make disciples of Jesus Christ for the transformation of the world, especially during transitional times of ministry. Opportunities are provided for continued learning, as well as training seminars for those wishing to be certified interims. The TIIMS are experienced clergy who have received advanced training in ways to process critical needs. Some of the TIIMS in the Texas Annual Conference have also received Approval Status from GBHEM, acknowledging their experience in working with churches in transition. In 2022, there were 21 transitional intentional interim ministry specialist appointments to serve in churches located within 8 of the nine districts.

The goals for this year are to continue providing highly effective interims for appointments with various transitional needs in this conference and beyond. Interims are placed for a variety of situations which may include churches experiencing conflict, anxiousness, or grief. There may be times in which an interim pastor is placed in a church when their pastor is taking a sabbatical, maternity, paternity, or medical leave. For these transitional situations and others, interims provide an intentional focus on the specific needs of that congregation.

TIIMS training is an important element of interim ministry. Over the last 14+ years, over 97 individuals have taken the Transitional Intentional Interim Ministry (TIIMS) training in the Texas Annual Conference. This training offers expertise in systems, conflict, grief, and other important skills needed in transitional needs. Rev. Bonnie Osteen is a current Lead Trainer with the national team of trainers for United Methodists Interims - TIIMSA. Trainings are offered yearly, and the information can be found on the TIIMS website - [www.tiims.org](http://www.tiims.org). Those interested in interim ministry should speak to their District Superintendent, who is key to identifying pastors who have the skills to serve in the fast pace of transitional intentional interim ministry. The training also may be taken by a pastor wanting to learn more about the topics taught in the seminar for their own study of advanced skills. The training seminar has been offered by Zoom and at Perkins School of Theology, SMU, as well as other locations across the country.

One of the focuses for the use of Transitional Intentional Interims is clergy sabbatical. Pastors are encouraged to speak to their district superintendents to discuss an appropriate time to take a sabbatical. This 'stepping away'



allows for a time of reflection, learning, and renewal. Not only is this transformation process life-giving to pastors, but it also serves well for congregations who experience a time of looking at their identity, direction, leadership, and connection, while their pastor is away. Churches have the opportunity to grow in their faith journey as they serve in ministry with an Intentional Interim, and specifically address transitional needs. When requested, a certified interim may be provided to the congregation.

The Board of Directors for Transitional Interim Ministry Specialists Association (TIIMSA) continues to share information from conference to conference to discover ways to be the most effective in interim ministry and to be a resource to conferences who are introducing interim ministry. This group consists of 14 members of trained and experienced TIIMS from all jurisdictions in the United States. Rev. Bonnie Osteen, the Coordinator of Interim Ministry for Texas Annual Conference, serves on the National TIIMSA Board of Directors, and is currently serving as the Treasurer of the TIIMSA Board of Directors. The 16th Annual Gathering for United Methodist Intentional Interims was held by Zoom Conference in April 2022. The focus was ‘How to Lead When You Don’t Know Where You Are Going, Leading in a Liminal Season’ with Susan Beaumont as the keynote speaker. In April 2023, the TIIMSA Gathering by Zoom, focuses on ‘Embracing the New Normal’ with Rev. Rebekah Simon-Peter.

<p>Ministry Specialist Initiative Rev. Bonnie Osteen and Rev. Julius Wardley</p>
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The church leadership team met in 2020 and 2021 to create the Ministry Specialist Initiative (MSI). This initiative was created to provide tools for clergy and churches to better serve their communities and to make disciples of Christ for the transformation of the world.

Once it was created and operational, the committee was available to assist Rev. Robert Besser for implementation. There have been several clergy and congregations who have used this initiative to strengthen their ministries. We are grateful as more faith communities lean into this resource.

Ministry Specialists in the Texas Annual Conference are devoted to helping congregations with the next steps of their journey. The new Ministry Specialist Initiative (MSI) reflects a commitment of empowering churches with experts and the tools needed for success.

With the MSI, the local church will assess their needs for improvement. Then, with the help of the District Superintendent and the Coordinator of MSI, Rev. Bonnie Osteen, a specialist will be matched to assist them in the next steps. This may include phone conversations, virtual discussions, in-person dialogue with leadership, or church wide gathering.

There are 62 categories, each match one of the Conference values, practices, or areas of focus and over 135 qualified specialists, both laity and clergy. The cost of the first consultation, or “engagement,” with the Ministry Specialist is covered by the Conference. The remaining expenses will vary depending on the congregation’s needs and the expert involved, each project will be different.

The MSI is a vast resource for churches, providing expertise to take them to a whole new level and help them better serve God’s kingdom.

<p>Board of Education &amp; Campus Ministry (BHECM) Rev. Adam Muckleroy, Chair</p>
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It is an honor for me to serve as chair of the Board of Higher Education and Campus Ministry at this significant time for our campus ministries. As I write, college campuses and universities across the nation, including some within the bounds of our Annual Conference, are becoming focal points for Christian revivals leading to times of repentance and renewal. Students are committing themselves to Christ and to walking in faith as a disciple. Our campus ministries are uniquely poised to be part of this revival begun within the Wesleyan tradition. Through our Wesley Foundations, students are equipped for works of piety and mercy, empowered for acts of service and justice, and prepared to go forth as strong lay and clergy leaders in churches within our Conference and throughout the world.

Your individual gifts and the gifts of your local church are vital to making their ministries successful. Through your partnership, our campus ministries are able to fulfill their mission to make disciples of Jesus Christ for the transformation of the world. When you invest in a Wesley Foundation, you are making an investment in the faith formation of people at a pivotal moment in their lives, and a long-term investment in the future of the Church. If you are not already a partner, consider adding your support along with the many individual donors and churches rallying around our campus ministries!

We have several new members coming on to our board, and I welcome them. We will continue our work of past years to find creative ways to resource and fund campus ministries in order to secure their long-term future.

We also welcome our new campus ministers recently appointed to their campus ministry. Rev. Tabitha Rankin has returned to campus ministry as she leads the Wesley Foundation of Texas Southern University. Rev. Kyle Tremblay now leads the campus ministry at Lamar University. And Rev. Sadie Brink is now appointed to the Wesley House at Tyler Junior College. If you are at a church nearby these campuses, please go and welcome them to the area. This would also be a wonderful opportunity to talk to them about how your church can partner with them. Our other campus ministries also eagerly desire to find partners and supporters in their mission. Consider reaching out to one of the below campus ministries near you, supported by the Board of Higher Education and Campus Ministry:

- Lamar University Wesley Foundation – Rev. Kyle Tremblay
- Prairie View A&M Wesley Foundation – Rev. Dwayne Thompson
- Sam Houston State University Wesley Foundation – Rev. Greg Oberg
- Stephen F. Austin State University Wesley Foundation – Rev. Tom Teekell and Rev. Ben West
- Texas A&M University Wesley Foundation – Rev. Katy Haislet
- University of Houston Wesley Foundation – Rev. Denise Caulfield
- Texas Southern University Wesley Foundation – Rev. Tabitha Rankin
- Tyler Junior College Wesley House – Rev. Sadie Brink

**Racial & Ethnic Ministries**  
**Rev. Dayimi Pimentel, Coordinator**

Bishop, Members of the Cabinet, Delegates of Texas Annual Conference, sisters and brothers in Christ, the peace and grace of our Lord Jesus Christ be with you.

We have had to live through one of the most challenging historical moments for the United Methodist Church, not only because of the churches that disaffiliated, but also because of the challenge of seeking new opportunities to multiply and make ourselves visible where we do not currently have a presence of the United Methodist Church.

And in the midst of this process that we are experiencing, we have ethnic and racial Methodist communities that continue to worship the Lord and that need our help to multiply and grow in their mission fields through Bible studies, prayer groups, and community outreach training workshops. The Racial and Ethnic Ministries must be the answer to this need for attention and service to people of different ethnic and racial minorities.

Racial and Ethnic Ministries must work on Leadership Development, offering training and development programs that include teaching and preaching skills, and program and project management. We must focus on reaching the new generation through youth programs, Bible study groups, cultural and sporting events, and community projects.

Above all, we must serve as cultural bridge between cultures and races within the church and collaborate with other ministries and organizations.

We have had to reorganize the Hispanic Ministries and try to reconnect with the pastors that continue to serve in the UMC. In reference to Hispanic Ministries, we have eleven Hispanic congregations and three United Methodist Churches that have outreach programs to the Hispanic community. Our office has been in conversations with pastors who have seen how their communities around their churches have changed in recent times, reaching more Hispanics and we are looking for a way to open new worship services in Spanish or other possibilities to reach those communities.

We are not paralyzed as a Ministry; with the Lord's help we will seek opportunities to serve the ethnic and racial communities of the Texas Annual Conference.

**Racial & Ethnic Ministries Team**  
**Rev. David Johnson, Chair**

Last year I presented to the annual conference a year of beginnings. We launched this committee in 2021 with the focus of helping the conference decentralize its support while still offering quality assistance to churches, pastors, and lay leaders looking to make an impact for the Kingdom of God. Our specific focus at inception was to offer aid in recommending specialists and other resources to equip Districts and local churches to minister with and to racial and ethnic constituencies. Yet, we find ourselves in a new season of ministry. A season that has included a great deal of change in team membership and conference demographics.

Our team began dreaming and visioning for what this new season may require of us. We begin asking questions that focus around three key themes that follow from the Apostle Paul's teaching to the church in Ephesus in chapter 4 when Paul charges that we are to use our gifts "<sup>12</sup>to equip the saints for the work of ministry, for building up the body of Christ, <sup>13</sup>until all of us come to the unity of the faith and of the knowledge of the Son of God, to maturity, to the measure of the full stature of Christ."

1. How can we be a support to, or build up, minority clergy and their families.
2. How shall we go about the work of equipping the saints for ministry in this season?
3. How can we support racial equity so that we can "come to the unity of the faith"?

This is the work we see as the natural flow from our original mission. We also will strive for greater cohesion with committees to allow our team to achieve our mission and purpose. We will focus in on these goals for the coming year. We ask for your prayers and look forward to partnering with you in ministry.

<p>African-American Church Initiative Dr. Elijah Stansell, Director</p>
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**Purpose:** The purpose of this initiative is to craft strategies for strengthening the predominantly black congregations of the Texas Annual Conference.

***AACI: Transitioning Toward the Future*** requires us to address the challenges of emerging and diverse, urban, and rural communities in the Texas Annual Conference. This strategy includes broader scopes than historical African American congregations. We recognize that the greatest concentration of African American congregations is in urban areas, but this process will work with every African American congregation that wishes to engage—current churches and churches into the future. This strategic initiative is designed to meet the transitions that have occurred in our communities.

**Rationale:** To address the changing dynamics within the present communities of faith that will empower & enable them to be vital congregations in their mission fields.

**Disciplinary Statements:** 2016 Book of Discipline, Part VI: Organization and Administration, Section IV: Churches in Transitional Communities

¶ 212. Since many of the communities in which the local church is located are experiencing transition, special attention must be given to forms of ministry required in such communities. The local church is required to respond to the changes that are occurring in its surrounding community and to organize its mission and ministry accordingly. (See points 1, 2, 3, 4, 5, 6 following)

¶ 213. *A Process for Assessment of Local Church Potential*—Since every congregation is in a community in some type of transition, every local church is encouraged to study their congregation's potential. Upon the request of the congregation the district superintendent shall appoint a study task force to assist in an extensive study of the past, present, and potential ministry of that local church. Alternatively, the district superintendent may appoint such a task force when the future viability of the congregation is in question or whenever he/she deems it

necessary for other reasons. The task force shall be composed of an equal number of lay and clergypersons and shall include persons from that congregation. (See points 1, 2, 3 following)

**Implementation:** Through a process of consultation and collaboration, congregations will be invited to participate in this process, which yields a framework and opportunity for vibrancy; outcomes that lead to health and vitality in the local church.

#### Activities of Engagement

- Transforming Pastoral Leadership Cohort #4, started with 10 congregations including lay and clergy. The participants will engage in the concept of “Normalizing Next” utilizing resources geared to the post-Covid world. The goal is to equip leaders with tools which will meet the “ever-changing landscape” the Church in general faces today. Consultant Rev. Olu Brown completed the Cohort with the pastors and congregations having outstanding results in transformation.
- Congregational engagement in Generosity Cohort #5, will begin in May 2023. The focus will include Generosity Templates, Strategy Seminars, Congregation Assessment, Coaching and methods of raising and exceeding your budgets.
- In 2022 several predominantly African American congregations disaffiliated. The AACI initiative held quarterly sessions with clergy intentionally focused on healing, blessing and finding God’s creative movement for a brighter future.
- May the winds of the Holy Spirit bless each and every clergy and congregation into God’s preferred future.

The leadership of the AACI is grateful for the opportunity to partner with the lay and clergy leadership in strengthening their congregations. Many thanks for your prayers and support. Looking forward to a successful 2023.

Equitable Compensation Rev. Melinda Owens, Chair
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The Commission on Equitable Compensation (COEC) is charged by the *2016 Book of Discipline* (§ 625) to: support full-time clergy serving as pastors in the charges of the annual conference by:

- a. recommending conference standards for pastoral support;
- b. administering funds to be used in base compensation supplementation; and
- c. providing counsel and advisory material on pastoral support to District Superintendents and committees on pastor-parish relations.

The elimination of exceptions to COEC guidelines, stricter enforcement of the 5-year rule for equitable support, adjustments of pastoral appointments, and realignment of charges should continue to reduce the financial burden of our Conference to ensure equitable compensation for all of our pastors. A question on the affordability of Pastors Minimum Salary was discussed this year. As we are in a time of uncertainty and

fluctuation, we have made provisions to help the Bishop and cabinet to address this issue on a case-by-case basis.

With the anticipated rising costs of relocations, the inability of many charges to make significant progress in being self-sufficient in their clergy support, and the necessity to reduce apportionment loads on local congregations require that the COEC continues to take necessary steps to work with the Cabinet, the Conference Centers, the District Offices, and the Local Church Charges to reduce equitable support costs and bring greater fiscal responsibility to our support of clergy throughout the Annual Conference. Our goal is vibrant growing fruitful congregations served by transforming clergy leaders. COEC funds should be used to help churches fill a short-term need to a healthier more vibrant place, so God may be glorified.

**The Notes Are Important**

COEC wants this report to be user-friendly. Thus, we’ve attempted to give you the information you need in an easily to read format. The Notes in the body of the report and at the end of the report are important and could pertain to you! Please read them.

**What Makes Up Your Salary**

“Salary” means all compensation paid by a charge as lined out on the Total Compensation Worksheet (completed at Charge Conference) PLUS any other compensation/assistance from denominational sources:  
SALARY = Total Compensation + Other Denominational Compensation

**Minimum Salary (MS)**

Equitable Compensation (EC) is based on what is known as “minimum salary” (MS). **Minimum salary only applies to full-time appointments.** There are no minimum salary requirements for part-time appointments. Minimum Salary consists of the following:

- 1. Total cash salary
- 2. Housing-related allowances and utilities (includes utilities paid FOR the pastor)
- 3. Accountable reimbursements (does not include utilities paid FOR the pastor)

**The Equitable Compensation and Texas Annual Conference Minimum Salaries for 2021 – 2024 as are as follows:**

<u>Conference Relationship</u> Designations	Minimum Salary by Year for Full-time Appointments			
	2021	2022	2023	2024
	(\$)	(\$)	(\$)	(\$)
FE, FD, AM, PE, PD, OE, OD, OA, OF, OPD, OPE	42,000	43,000	44,000	44,500
FL	36,000	37,000	38,000	38,500
FL-SS	33,000	34,000	35,000	35,500
FL-US	30,000	31,000	32,000	32,500

**All churches / charges receiving equitable compensation are encouraged to provide an annual salary increase of 2.5% with the understanding that the above-mentioned salaries are the starting point for equitable compensation and minimum Conference salaries for the respective years.**

#### **EC Is Available for a Maximum of Five Years**

EC is designed to help charges grow through the benefit of having the appropriate pastoral staffing even though they might not initially be able to afford it. The goal is to enable charges to grow in ministry and mission so that they can, after a maximum of five years, afford to pay the full MS for their clergyperson without any assistance.

Although an exception to this five-year rule may be granted by a unanimous vote of COEC and the Cabinet, in the past few years, these exceptions have become so many that they are depleting COEC funds for the assistance of charges/churches who meet all requirements. In order to properly steward its resources, COEC will hold more steadily to the five-year maximum.

#### **How Your Charge Can Qualify for EC**

To qualify for EC, your charge must pay 75% of your clergyperson's salary. To qualify for EC, your charge must pay 100% of the **Medical Benefits Program**.

To qualify for EC, your charge must pay 50% of the following apportionments:

- World Service
- Ministerial Education Fund
- District Superintendents Fund
- Episcopal Fund
- Equitable Compensation Fund
- Missions & Communications
- Center for Leadership Formation
- Center for Connectional Resources

#### **WHEN to Request EC for a Charge**

The pastor, PPRC chair, or the DS may initiate the request for EC. For clergypersons to receive EC in a timely fashion, the pastor should submit the request to the DS and the DS should deliver the request to COEC as soon as possible. PPRCs and pastors should work together in an ongoing, transparent dialogue about the ability of the church(es) to sustain a fulltime pastor and seek counsel from the DS about creative solutions for future ministry opportunities.

#### **EC Grant for Pastor's Portion of the Conference Health Insurance Program**

Clergypersons who serve EC charges can apply, through their DS, for a grant from EC that pays the clergyperson portion of the Conference Health Insurance Program. The DS must forward the application to the Chair of COEC (by no later than January 15th), with detailed reasons for the request. All applications must be approved by COEC before any grants can be awarded.

**Note:** Requests for Health Insurance grants MUST be made separately from EC requests. In other words, being granted EC funds does not automatically guarantee a Health Insurance grant.

**Additional EC Assistance for Full-time Clergy (100% appointment) Serving More than Two Churches in a Charge.**

These clergy whose charges consist of more than two churches may request additional support. For the third church they may request an additional \$400 per year. For a fourth church or more they may request an additional \$400 per year. The total requested may not exceed \$800 per year.

**Note:** Requests for this additional assistance MUST be made separately from standard EC requests. In other words, being granted EC funds does not automatically guarantee additional assistance for charges consisting of more than two churches.

**One Round-Trip-Per-Week Commuter Allowances for Student, Retired, Part-time Local, and Lay Appointments**

Those listed are eligible to receive a commuter allowance for ONE round trip per week (equal to 30 cents per mile) from their school or residence to the parsonage or the logical center of the parish, up to a maximum of 300 miles per week. Full-time appointments are NOT eligible for a commuter allowance.

**Note:** To be considered for a Commuter Allowance, you must fill in the commuter mileage on the “Other Items” page of the electronic Salary Sheet System and apply through your DS.

The DS must forward the application to the Chair of COEC (by no later than January 15th), with exact information about the mileage and locations driven between. All applications must be approved by COEC before any allowances can be awarded.

**Note:** Requests for Commuter Allowances MUST be input into the electronic Compensation Administration System and will be considered along with EC requests. In other words, being granted EC funds does not automatically guarantee a Commuter Allowance.

**Churches having exhausted Equitable Compensation under the 5-year rule**

District	Church	EQ Count
Central North	Conroe, Metropolitan	5
Central North	Willis, Thomas Chapel	5
Central South	Houston, Beneke	5
Central South	Houston, Disciples	5
Central South	Houston, Dong San	5
Central South	Houston, First Korean	5
East	Burkeville	5
East	Cushing, Cushing	5
North	Avinger	5
North	Gilmer, Bettie merged w/Gilmer, Soules Chapel	5
North	Diana	5
North	Jefferson, St. Paul	5
North	Nash, Chapelwood	5
North	Queen City, Bethel	5
North	Waskom, First	5
Northwest	Hawkins, Center	5
Northwest	Mineola, Johnsons Chapel	5
Northwest	Lindale, Mount Sylvan	5



Northwest	Oakwood, Union	5
Northwest	Canton, Wallace	5
South	Baytown, San Marcos	5
Southwest	Van Vleck	5
West	Brenham, Pleasant Grove	5
West	Thorndale, Friendship	5

#### **Churches having received EC more than 5 years**

<b>District</b>	<b>Church</b>	<b>EQ Count</b>
Central South	Houston, Grace (Lockwood Dr)	6
Central South	Houston, Asbury Memorial	10
East	Carthage, St. Andrews	7
North	Marshall, Grange Hall	8
Northwest	Jacksonville, New Community	9
South	La Porte, St. Marks	11
Southwest	Boiling	10
Southwest	Matagorda	15
Southwest	Richmond, Mt. Vernon	13
Southwest	Rosenberg, St. Luke's	7

#### **Clergy Move Policy**

Procedures and Guidelines may be found on the Conference Website – [www.txcumc.org](http://www.txcumc.org) under Leadership Formation > Relocation Information. The proposed move policy effective 7/1/2023 is also found as addendum 1 at the end of this report.

#### **Please Note – Paid Moving Expense are Taxable Income**

The Tax Cuts and Jobs Act (the “Act”) made numerous changes to the taxation of both individuals and organizations. Several of the changes relate to deductions available to individuals. One such change involves moving expenses.

The end result is that (1) moving expenses incurred will not be a deductible expense (except for certain members of the Armed Forces) and (2) any reimbursement by, or payment of, moving expenses by an employer will need to be reported as taxable income to the employee.

Thus, for example, if a local church covers some or all of the moving expenses of an employee, such as its pastor, the church will need to report that amount on Form W-2 as taxable income to the employee. And, as another example, **if the payment of moving expenses is made by an annual conference on behalf of a pastor serving a local church, the conference will need to issue that pastor a Form 1099-MISC reflecting the amount paid** (the instructions to Form 1099-NEC state Box 1 should include “taxable fringe benefits for nonemployees,” which will presumably include moving expenses for the years during which Sections 217 and 132(g) are suspended).

#### **Housing and Parsonage Standards for the Texas Annual Conference.**

The church today demands the clergy to be not only a preacher, as was the early circuit rider, but a resident pastor and responsible citizen in the community. In order to meet these felt needs, and to call men and women to a dedicated ministry, the church must provide living conditions that will establish an adequate base from

which to operate. Fulltime Elders (including Provisional Elders), Associate Members, and Fulltime Local Pastors shall be provided either a parsonage or a housing allowance.

### **Minimum Housing Allowance**

In the case of no parsonage, the minimum housing allowance amount for clergy (and clergy couples) will be set using a rate of 25% of pension cash for each clergy. The calculated allowance(s) will be compared to an amount (i.e., annual cost) determined to be the fair market value for homes in the respective neighborhood where the clergy home is located. If the annual cost for fair market value is greater than the calculated housing allowance, then the allowance is increased to equate to the fair market cost.

**Note:** The above Clergy Housing Allowance Policy and the requirement for either a parsonage or housing allowance in lieu of parsonage pertain only to Fulltime Elders (including Provisional Elders), Associate Members and Full-time Local Pastors. The primary concern in establishing a minimum housing allowance amount was to ensure that clergy at the lower end of the compensation range and that clergy couples each receive an adequate housing allowance.

It is the privilege and responsibility of the members of each congregation to provide a physical setting which will give the parsonage family the comfort and convenience so that the energies of the pastor may be more concentrated on his or her task and willing service in the Church of God. It is the responsibility of the parsonage family to provide cleaning and care of the parsonage, which will protect the interior facilities and amenities such as paint and floor coverings.

Because the parsonage, like the church building, reflects upon the congregation and pastor, it should be in such condition that all concerned can be justifiably proud of it. In view of this, we make the following recommendations regarding parsonage Standards for this Annual Conference.

1. Size of Building and Living Areas. The new or remodeled parsonage should be large enough to accommodate the pastor's family. It should provide adequate space for the entertainment of guests. It should be remembered in selecting a parsonage that the present parsonage family is not the only one who will live in that parsonage and that the house should be adaptable for a variety of family sizes and situations.

We **recommend** the following minimum standards:

- a. 1800 square feet of living space
- b. 3 bedrooms and 2 bathrooms
- c. Adequate major appliances (stove, refrigerator, washer, dryer)
- d. Hot and cold running water in bathrooms, kitchen, and laundry
- e. Adequate heating and air conditioning
- f. Adequate closet and storage space
- g. Adequate garage or carport space with outdoor storage area

2. Health and Safety

- a. Proper sewer disposal according to the standards of local and/or State Department of Health
- b. Fire extinguisher in kitchen with yearly inspection
- c. Provide smoke detectors for kitchen, living, and bedroom area
- d. Provide carbon monoxide detectors in kitchen and bedroom area

### 3. Furnishings

- a. Window covering, drapes, curtains, and blinds should be provided to ensure adequate privacy.
- b. If the parsonage family is expected to maintain the lawn, the church should provide a mower, lawn tools, and hoses.

### 4. Miscellaneous

- a. Discovering Needs: The Chairperson of the Pastor Parish Committee, the Pastor and the Chairperson of the Trustees or Parsonage Committee should inspect the parsonage at least once a year using the standards identified in Paragraph 258 g (16) of the 2016 Discipline to discover needed repairs, improvements, and decorations. The Committee or Trustees should assume the initiative since it is their responsibility to maintain the parsonage in good condition, and since prompt attention lessens total cost of maintenance. An evaluation form will be provided by the Conference Commission on Equitable Compensation to the District Superintendents and be included in the Charge Conference packets.

It needs to be remembered that the parsonage is the PASTOR'S HOME and inspection should be scheduled in plenty of time to meet the convenience of the parsonage family.

- b. Insurance: The Trustees should be certain that the church owned house and contents are insured for at least 80% of replacement cost against fire, wind, and other hazards. Public liability insurance should be carried on parsonage property. A separate flood insurance policy should be provided by the church.

- c. It is highly recommended that all ministers purchase tenant homeowner's insurance to cover personal possessions and liability.

### **IT IS THE SOLE RESPONSIBILITY OF THE PASTOR TO INSURE PERSONAL PROPERTY BELONGING TO THE PASTOR AND FAMILY.**

Parsonage Record Book: It is recommended that each church establish a Parsonage Record Book containing an inventory of parsonage furnishings owned by the church, any warranties on items purchased for the parsonage, a service and repair record with dates of repair or service copies of the annual inspection and moving day checklist, and any other receipts, printed materials, or pertinent information.

A copy of these standards shall be distributed at Charge Conference by the District Superintendent to each church with a copy of the Evaluation forms. The PPR Committee, Trustees or Parsonage Committee shall conduct a review of the parsonage and how it related to these standards (below average, average, meet standards, needs immediate attention) and submits their findings at each Charge Conference. Action should be taken as soon as possible to bring each parsonage within an acceptable range based on these minimal standards.

### **Addendum 1**

#### **Clergy Relocation Committee Guidelines and Moving Policy**

The Texas Annual Conference (TAC) has approved this moving policy, effective for moves related to appointments starting on and after July 1, 2023. **The TAC will reimburse up to \$4000 for a clergy move.**

This Moving Policy applies to appointments in the TAC where the clergy person will have the Conference Status of FE, PE, AM, or FL (unless the clergy is also attending seminary); it also applies when a member of the clergy retires, dies, or is appointed to Incapacity Leave. Clergy appointed to an Extension Ministry under the provisions of ¶ 344.1.a.1 are eligible. Failure to comply with the provisions of this Moving Policy will result in forfeiture of this benefit.

#### A. General Procedure

1. Once an appointment is made, the Center for Leadership Formation will complete and sign Part 1 of the Clergy Relocation Form (CRF) and then send it to the clergy via E-mail. This E-mail also includes the Moving Policy, with important information about moving and clergy benefits. Copies of this email are sent to the District Superintendent (DS) and District Administrative Assistants (DAA(s)) of the districts involved.
2. Clergy are responsible for packing their own belongings. The Conference will pay up to a total of \$550 (included in the \$4,000 maximum) moving reimbursement for special packing (mattresses, mirrors, etc.) by the moving company and also for moving supplies. The charge for special packing is usually included in the quote from the moving company and paid to them. If the moving company provides boxes and moving supplies, the cost will be also included in their quote. For items purchased by the clergy, reimbursement to the clergy for these supplies can be obtained by submitting the original invoices to the Center for Leadership Formation at the address on the Contact Information sheet. Please include your mailing address with the invoices. Please note that any packing materials billed by the moving company and shown in the estimate they submit are included in the \$550 total. Electronic detailed receipts are permitted but must be legible.
3. Clergy are responsible to submit a W-9 on agreement to their moving terms.

#### B. Using A Moving Company Billing the Annual Conference

1. The clergy chooses a moving company and sets up an appointment with the moving company for an estimate. This should be done within 7 days of receiving the e-mail from the Center for Leadership Formation office. We recommend that the clergy obtain two or more estimates and chose the one that seems best.
2. When the moving company has agreed to bill the annual conference directly, then the clergy completes and signs Part 2 of the Clergy Relocation Form (CRF) and sends it with the selected moving company estimate to the Center for Leadership Formation office.
3. Following the move, the clergy submits all documentation and receipts to the Center for Leadership Formation office for reimbursement.
4. The Center for Leadership Formation sends an approval letter (with copies of the Relocation Form and quote) to the moving company to authorize the move.
5. A copy of the approval letter and attachments is also sent to the clergy.
6. After each move, the moving company will bill the TAC directly for the portion of the move that has been approved. Any additional amounts are the responsibility of the clergy and should be paid at the time of the move.
7. In the event clergy do not live in a parsonage, clergy must complete their move no later than 120 days after the date of their appointment. Exceptions must be approved by Cabinet.

#### C. Self-Move

1. Clergy may elect to move themselves and will have to pay up front for all of the costs of the move. Reimbursement up to \$4000 will be provided upon receiving the receipts.
2. TAC will reimburse the clergy for reasonable expenses for a self-move. These include truck rental, moving/packing supplies, and gas used for the rental truck (or mileage at the current IRS rate for moving). The TAC reserves the right to determine which expenses are "reasonable".

3. Original receipts must be sent to the Center for Leadership Formation at the address on the Contact Information Sheet together with the Clergy Relocation Form. Electronic receipts are permitted but must be legible.

#### **D. Special Situations**

1. In the event of a move originating from outside (or moving to outside) the Texas Annual Conference, the TAC will only pay for the cost incurred inside the Conference boundary.
2. When a pastor is moving to an appointment as Student Pastor inside the Texas Annual Conference, expenses will be reimbursed up to a maximum of \$500. In this case, the clergy will submit a Clergy Relocation Form and receipts for reimbursement after the move.
3. When a clergy couple is moving to a new appointment, an additional \$500 may be approved to allow for additional books and additional stops.
4. Deacon moves are not currently covered by this policy, but the local church is encouraged to assist deacons with expenses incurred during a move to a new appointment.
5. The Conference reserves the right to make a decision (based on the intent of the policy) if a particular issue is not specifically covered by the Policy.
6. Seminary students moving to the TAC for an appointment may be reimbursed the full amount of eligible expenses incurred for a self-move. Policies under Section E are applicable.
7. Seminary students moving to the TAC may be reimbursed for Storage fees needed for the time between graduation and the start of an appointment. This is handled on a case-by-case basis.

#### **E. Relocation Costs Over the Approved Amount**

1. Clergy will be obligated to pay for amounts not covered by the Moving Policy and this is a matter between the clergy and the moving company.

#### **F. Moving Dates**

1. There will need to be some flexibility of moving dates with a range of 2 or 3 days.
2. Clergy will need to check with the clergy at the new appointment to see when the parsonage is available. This should be done early in the move process, to allow for coordination of the moves.

#### **G. Tax Implications**

1. Under the 2018 changes to the Income Tax Code, all moving expenses paid or reimbursed by either the Texas Annual Conference or your church will now be treated as taxable income to you. You will receive the appropriate documentation at year-end and should be prepared to withhold extra taxes to cover your liability.
2. For further information see IRS Publication 521 or consult your income tax professional.

#### **2023 Items Requiring a Vote:**

- Updated clergy move policy, effective 07/01/2023.
- Updated the churches having exhausted Equitable Compensation under the 5-year rule, effective 01/01/2024.
- Updated the churches having received Equitable Compensation more than 5 years, effective 01/01/2024.

**Effective Date:**

- Clergy Move Policy – 07/01/2023.
- Churches exhausted Equitable Compensation under the 5-year rule – 01/01/2024.
- Churches received Equitable Compensation more than 5 years – 01/01/2024.

**Appointment Abbreviations:**

**AM** – Associate member

**CLM** - Certified Lay Minister

**FD** – Deacon in full connection

**FE** - Elder in full connection

**FL** – Full Local Pastor – local pastor under appointment to a local church serving full-time

**FL-SS** - Local Pastor Seminary Student - seminary student under appointment to a local church serving full-time

**FL-US** - Local Pastor Undergraduate Student - undergraduate student under appointment to a local church serving full-time

**LS** - Lay Supply - lay person under appointment to a local church

**OA (OA-R)** - Associate member of other Annual Conference (Retired)

**OD (OD-R)** – Deacon member of other Annual Conference (Retired)

**OE (OE-R)** – Elder member of other Annual Conference (Retired)

**OF (OF-R)** – Full member of another Denomination (Retired)

**OPD** - Provisional Deacon of another Annual Conference

**OPE** – Provisional Elder of another Annual Conference

**PD** – Provisional Deacon

**PE** - Provisional Elder

**PE-SS** – Provisional Elder Seminary Student

**PL** - Part-Time Local Pastor - local pastor under appointment to a local church serving less than full-time

**PL-SS** – Part time Local Pastor Seminary Student – seminary student under appointment to a local church serving less than full-time

**PL-US** - Part time Local Pastor Undergraduate Student – undergraduate student under appointment to a local church serving less than full-time

**RA** – Retired Associate Pastor

**RD** – Retired Deacon in full connection

**RE** - Retired Elder

**RL** – Retired Local Pastor (must have completed Course of Study)

**Other Abbreviations**

**BOM** - Conference Board of Ordained Ministry

**COEC** - Commission on Equitable Compensation

**DCOM** - District Committee on Ordained Ministry

**DS** - District Superintendent

**EC** - Equitable Compensation

**MS** - Minimum Salary

**Note:** FL-SSs and FL-USs will be paid in the amount needed to increase total income to EC plus the appropriate commuter allowance. Thus, the commuter allowance will be adjusted to the extent that the FL-SS's/FL-US's income exceeds EC.

New Faith Communities  
Rev. Morris Matthis, Director

It's the story of a wandering people who no longer have a home being cared for by a mighty God and being led to a promised land. It's the story of a broken hearted group of disciples who found renewed hope in the presence and power of a risen Savior. That's the Biblical story and it has been the story of many of the people called United Methodist in the Texas Annual Conference. Certainly, the disaffiliations of so many churches has loomed large in our life together over this past year. But what will be remembered and celebrated by so many in our conference in the years to come is the faithfulness and courage of so many who were committed to the continued proclamation of the gospel in a United Methodist voice in their communities. Their stories have inspired pastors and church members in our conference and even beyond. During this past year churches have been started in Jasper, Woodville, Baytown, Jacksonville, Bryan and Conroe. A church has also been started in northwest Houston with plans for another in the south. In addition, there are conversations about churches in other places as well. While not totally abandoning conventional wisdom about church planting, this unique moment, which represents significant kingdom opportunity, has required out of the box thinking. These are plants like no others. Not parachute drops. Not mergers. Not second campuses. The core of these churches are people who have a mature understanding of what it means to be a follower of Jesus, what it means to be the church, and what it takes for a church to fulfill its mission. While the conference has made a significant commitment to supporting these new churches, not a one of them would exist without the faithfulness of these leaders. Even as we celebrate the launch of these new churches, their future and the future of additional new churches yet started will depend on the continued commitment of the conference to provide funding, support, and pastoral leadership to these churches. That means not only starting churches as we have traditionally known them but also being open to learning new models for church planting that may take us back to our Biblical roots of people gathering in places that don't look like church and yet being the church in every way. As God's people crossed the Jordan river, as the disciples first saw their risen friend and Savior, they couldn't imagine the future God had in store for them. We don't know what God has for us in the years to come. But as they were faithful, when we are faithful amazing things can happen. Let it be so friends! Let it be so!

United Methodist Men  
Robert Wright, Interim President



The Texas Conference leadership held an online meeting on March 17 and made several decisions, which included the holding of the half-day men's ministry event—*Men of the Spirit*-- in Houston on July 23.

In May we made site visits to St. Matthew's UMC and St. Paul's UMC, both in Houston. There had been previous contact with both via phone and email. The former was the planned site for a *Men of the Spirit* half-day event on July 23; the latter was to be the site for a *Lead Like Jesus* Encounter in September.

Robert Wright preached at St. Matthew's UMC (Houston) on Father's Day (June 19). The title was *The God You May Not Know*; the theme was developing a closer relationship with the Holy Spirit.

On July 11 we spoke to the men at Clear Lake UMC about the United Men's Ministry platform and the connection between GCUMM, the jurisdictions, conferences, and local units.

On July 12 we met with Jeff Springer, of Suit Up Ministries (Magnolia, TX), a group that focuses on discipling dads. We hope to contact other groups in the Houston area to help promote each others' events and collaborate on future events.

On October 5 we met with the UMM of Naples UMC. This was more of a general discussion and needs assessment. They want to grow their ministry, with a focus on attracting younger men into the group. We have gathered and synthesized relevant GCUMM resources and will make a follow-up presentation in February

We hope to continue to meet with local men's ministries. Much of our past efforts have focused on the Houston-Galveston area of the conference. We now seek to focus on the more northern districts and smaller, rural churches.

### **Events**

The Men's Ministry had a display at the 2022 Annual Conference (May 27-June 1). It was well-received and several new contacts were made.

We worked with St. Matthews UMC in Houston to hold a half-day *Men of the Spirit* event on July 23. Bishop Scott Jones was the keynote speaker. Other speakers included:

- Bob Neal, UMM President, Covenant of Faith UMC (Houston, TX)
- Ken Rheingans (virtual), The Epworth League
- Reverend Marvin Hood Pastor, Newgate Fellowship UMC (Spring, TX)
- Jim Boesch (virtual), Deployed Staff, General Commission for United Methodist Men

The event was attended by 32 men. In the future, such events will be planned for either before annual conference or after Memorial Day; scheduling a summer event is difficult as it conflicts with people's vacations plans.

We worked with Mark Lubbock to create a presentation for the SCJ Conference in November. Robert Wright made the presentation to the conference on November 5.

### **Live Bold & United Men's Ministry Platform**

We have stopped promoting the United Men's Ministry platform after receiving reports that there are no new offering since the initial March release. We did not want to lead groups into investing in a dead end.

We are pushing the *Live Bold* app and are using that as the tip of the spear for our promotional activities.

We are working with Greg Arnold of the General Commission on United Methodist Men on a study of the Live Bold app; once approved by the University of North Texas Institutional Review Board (an ethics committee), we hope to begin the study in the first quarter of 2023.

### **Membership**

We are looking at the 2022 conference journal to identify the more active men's ministries in the conference, with the plan to contact and visit them. The preoccupation with disaffiliation hindered interest in UMM activities.



Of the 598 congregations of the TAC, 298 (49.8%) chose to disaffiliate and were approved at the December 3 Special Session. An early list of remaining churches was distributed by an unofficial lay group; but this proved to be inaccurate; we are getting an updated list from the conference and will contact remaining UMM units and their congregations.

### **Texas Men**

*Texas Men*, the newsletter of our Men's Ministry, was published in February (<https://designrr.page/?id=172457&token=1261551427&type=FP&h=3892>), March (<https://designrr.page/?id=183936&token=3217475708&type=FP&h=9782>), December (<https://designrr.page/?id=247953&token=1003103887&type=FP&h=6530>), and February ([https://docs.google.com/document/d/1VtnCbC4P5eDRklXfQ1snrLB2TRq70iN7/edit?usp=share\\_link&ouid=118078517368967584331&rtpof=true&sd=true](https://docs.google.com/document/d/1VtnCbC4P5eDRklXfQ1snrLB2TRq70iN7/edit?usp=share_link&ouid=118078517368967584331&rtpof=true&sd=true))

We hope to be more regular with publication in the coming year.

### **Conference Leadership**

The current leadership team consists of:

- Robert Wright, President  
11028 FM 2867E  
Henderson, TX 75654  
[1umcmethodistmen@gmail.com](mailto:1umcmethodistmen@gmail.com)  
903-889-2281
- Johnny Jedkins, Vice President  
2010 Mackenzie Way  
Missouri City, TX 77489  
[jay2jj@yahoo.com](mailto:jay2jj@yahoo.com)  
281-703-7331
- Thomas Ramsey, Prayer Advocate  
[trmsey03@gmail.com](mailto:trmsey03@gmail.com)  
936-661-5431  
MRC Pinecrest  
1302 Tom Temple Drive #227  
Lufkin, TX 75904
- George Redd, Co-Treasurer  
5111 Bay Hill Lane  
Pasadena, TX 77505  
[glredd@sbcglobal.net](mailto:glredd@sbcglobal.net)  
713-598-3030
- \*Phil Palma, Co-Treasurer  
1495 McGuire Road  
League City, TX 77573  
[pjpalma@verizon.net](mailto:pjpalma@verizon.net)  
281-704-6851

United Women in Faith  
Theresa M. Graham, President

The year 2022 has been a pivotal year for United Women in Faith. The Texas Conference United Women in Faith are boldly moving forward in answer to God's call into the next 150 years of our organization's mission as we seek to connect and nurture women through Christian spiritual formation, leadership development, creative fellowship and education so that they can inspire, influence and impact local and global communities. United Women in Faith programs and resources that inspire, influence, and impact are now being offered to introduce new women to the organization and new paths to membership. <https://uwfaith.org/>

INSPIRE opportunities include:

- Faith Talks podcast: [Live monthly conversations that explore timely themes and resources, from expert insights on ways to live your faith to inspiring interviews with spiritual leaders.](#)
- Prayer Guide: [A daily social post to inform you about what's happening in mission and move you to put love in action.](#)
- Reading Program: [A series of books to explore, share, and discuss with other members as you grow your faith and expand your thinking.](#)
- National events: [Opportunities throughout the year to connect with other like-minded women in person or online.](#)

United Women in Faith celebrated in 2022. More than 3,000 gathered in Orlando, Florida, and online for United Women in Faith's Assembly 2022, held May 20-22 at the Orange County Convention Center. Twenty-four countries and all 50 states were represented at the event with the theme "Turn It Up!"

Our Conference started our year with a Leadership Development Training Event in January, followed by the Texas Legislative Event held in Austin, in-person and virtually: <https://www.umwriotexas.org/legislative-event>.

Our Spring Spiritual Growth Retreat was held virtually. During the summer we had great attendance at our Mission U event. The study was centered around the theme "Who Can We Be Together?"

In cooperation with Texas Annual Conference Mission Center, United Women in Faith collected materials and money for Care Bags for children and adults. The items were assembled in backpacks to assist people during disasters, homelessness, being released from incarceration. We donated 200 Adult Care Bags, 200 child Care Bags and \$28,366.80.

The United Women in Faith Legacy Endowment Fund campaign is ongoing as we strive to meet our goal of \$60,000.00, to date the value is \$36,033,499.69.

We have inherited a rich legacy of women who pray for each other and are generous with their resources, diligent in turning faith, hope and love into action on behalf of women, children and youth around the world. We will continue our legacy by Faith, Prayer and Perseverance, just as our fore Mothers did 150+ years. We will pray to connect with women who want to share in God's work through participation in mission opportunities that are available through United Women in Faith.

## CENTER FOR CONNECTIONAL RESOURCES

Center for Connectional Resources  
Rev. Robert Besser, Director

The City of Houston and the great State of Texas are known across the globe for our natural resources—gas and oil, trees, water, land, cattle, solar, wind, battery and much more—to provide all that is necessary to empower our cities, communities, residences, and businesses across our vast state for the success of all. However, the most important resource, is its people. When partnered together and moving in the same direction, we are unstoppable. We can accomplish more than we ever dreamed possible! The past – the present – and the future state of Texas depends upon all her people pulling together to use our limited resources to enable everyone to reach their full potential.

The same is true for the Texas Annual Conference. Our past, our present, and the future of the United Methodist Church depends upon all of us using our resources in the best possible ways to make disciples of Jesus for the transformation of the world. The world needs us!

The Center for Connectional Resources seeks to be in partnership with every clergy and congregation of the Texas Annual Conference. We are here to enable all our ministries to be successful. We provide necessary resources for clergy, laity, and congregations, including fiscal oversight, property management, health and pension benefits, and archives and records to undergird the mission and ministry of the Texas Annual Conference. We seek to be good stewards of the human and financial resources entrusted to us, and to serve and support lay and clergy leaders, staff members, churches, and districts in the Texas Annual Conference as together we make disciples of Jesus Christ for the transformation of the world. Contact our leaders and/or staff if we can serve or support you or your church!

Center Director, Treasurer, Benefits Officer  
Accounts Receivable Specialist, Facilities Assistant  
Staff Accountant, Safe Sanctuary Consultant  
Sr. Benefits Specialist, Pensions and Retiree Health  
Benefits, Walking Program Coordinator  
Fiscal and Benefits Controller, Statistician  
Manager, Group Health and Pension Benefits/HIPAA  
Privacy Officer  
Group Health Benefits Specialist, Wellness  
Program Coordinator  
Accounts Payable Specialist, Grants Compliance Officer,  
Admin Assistant, Golden Cross Admin  
Chief Operations Officer

Rev. Robert Besser  
Tracey Blackshire  
Rochelle Cebrun

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[wreed@txcumc.org](mailto:wreed@txcumc.org)

Our Center is proud to include the work of the following Councils, Boards, Committees, and Officers:

1. Board of Pensions
2. Board of Trustees
3. Commission on Archives & History
4. Committee on Episcopacy
5. Committee on Episcopal Residence
6. Council on Finance & Administration
7. Group Health Benefits Committee
8. Investment Committee
9. Joint Committee on Medical Leave
10. Safe Sanctuary Committee
11. Statistician

Our Center is incredibly grateful for the dedication of our faithful staff members, volunteer leaders and members of our Councils, Boards, and Committees, and the generous support we receive from clergy, lay leaders, and congregations throughout the Conference. Thank you for the ministries you support and the service you provide!

<p>Council on Finance &amp; Administration Don Morriss, Chairperson Rev. Robert Besser, Treasurer Mark Hellums, Controller and Statistician</p>
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First, we are so grateful to each district, church, and member for each contribution submitted to support the on-going ministries of the Texas Annual Conference and our continued connectional work together. Thank you so much for your continued faithfulness. The Texas Annual Conference is solvent, and we are grateful to the previous leaders and financial commitments to enable us to have sufficient reserves.

Our conference is financially stable and continues to make disciples of Jesus Christ for the transformation of the world, no matter what the future brings. For all the details, please read the rest of our report and refer to the visual charts and spreadsheets following. If you have additional questions, don't hesitate to contact us.

(One word of explanation: All the assets, receipts, and expenses in this report refer to conference fiscal assets only. For real properties, please see the Board of Trustees report. For pensions and group health benefits assets, expenses, and reserves, please see the Board of Pensions and Group Health Benefits Committee reports).

This fiscal office report is divided into the following sections:

#### 2022 Reports and Information

1. Apportionment Receipts 2022
2. Fiscal Assets
3. Designated Reserves
4. Fiscal Investments

## 2023 Reports and Information

5. Strategy for 2023
6. Projections and Expenditure Guidelines 2023

## 2024 Reports and Information

7. Proposed 2024 Budget

## Additional General Information concerning:

8. Apportionment Giving
9. Giving beyond the Budget
10. Report Day 2024
11. Annual Audit

The Center for Connectional Resources would like to express its gratitude to Chairperson Don Morriss and all other Council on Finance and Administration members who are serving faithfully to steward Texas Annual Conference resources.

## 2022 Reports and Information

### 1. Apportionment Receipts 2022:

*Please refer to Addendum 2022 Budget vs. Actual Chart*

### Receipts & Expenses

In 2022, Conference receipts exceeded expenses by \$1.382 million. Investment returns resulted in losses totaling \$2.371 million. The net effect was a decline in Conference operating reserves in the amount of \$0.989 million during the year. In 2021, Conference expenses exceeded receipts by \$0.432 million. Investment returns resulted in gains totaling \$1.046 million. As a result, Conference operating reserves increased by a net amount of \$0.614 million during the year.

90.42% (\$15.374 million) total apportionment income was received in 2022, which was an increase of 16.69 percentage points over 2021 (73.73%). Much of this was a result of the disaffiliated churches required to pay both their 2021 and 2022 apportionments.

As of January 1, 2023, 300 churches remained in the Texas Annual Conference. Of those, 233 (77%) of the United Methodist churches in the Texas Annual Conference paid 100% of their General Church, Jurisdictional, and Conference apportionments in 2022.

*Please refer to Addendum A at the end of this report.* It compares apportionment receipts in all three categories of connectional giving for 2021 with 2022. If you look at the “apportionments total” (including General & Jurisdictional, Texas Annual Conference and Fair Share Goals totals), you’ll see we received a total of 88.00% in 2022 vs. 72.17% in 2021, approximately 15.83 percentage points more.

*Addendum B at the end of this report* compares budgeted receipts to actual receipts for 2022. However, considering the challenges faced by our local churches in 2022, we are grateful members and churches were willing and able to be very generous. It also has the 2023 Spending Guide summary.

*Please remember:* Apportionments are divided into three categories of connectional giving:

- **Texas Conference -**

*Texas Conference apportionments are conference budget funds that serve the ministries of the Texas Annual Conference and are apportioned to our local churches. Each year, the Council on Finance and Administration recommends a budget for Annual Conference approval for the coming year, which determines these totals.*

- **Fair Share Goals**

*Fair Share Goals are optional benevolent giving opportunities which benefit wonderful conference and connectional ministries. Fair Share Goal ministries and dollar goals are determined by the Council on Finance and Administration.*

- **General and Jurisdictional**

*General and Jurisdictional apportionments are general church and South Central Jurisdictional budget funds apportioned to Annual Conferences. By the Book of Discipline, our conference cannot change or reduce these amounts. Our 2024 General Church Apportionments is reduced by 45.77% from \$6,629,997 to \$3,595,604. Our 2024 Jurisdictional Apportionments is unchanged at \$232,667.*

## 2. Fiscal Assets

*Please refer to Addendum C at the end of this report. (As of 12/31/2022)*

The chart labeled Addendum C at the end of this report is a “Visual Balance Sheet,” if you will; a way of “seeing” on one page all conference fiscal assets as of the end of 2022 and how they can be used.

Rectangles on the right side of the Visual Balance Sheet show our total fiscal assets: \$2.659 million in **Cash** at Hancock-Whitney Bank; \$27.338 million **Nonrestricted Investments** (funds invested with Wespath and Texas Methodist Foundation; which are not permanently restricted, but either temporarily restricted or available to use as needed for ministries and/or operating expenses); and \$11.103 million in **Restricted Investments** (funds invested with Wespath and Texas Methodist Foundation; which are permanently donor restricted, and can only be used for certain types of ministries). Fiscal assets total \$41.100 million.

Rectangles on the left side of the Visual Balance Sheet show the same fiscal assets categorized differently. Fiscal assets still total \$41.100 million. However, after subtracting the **Restricted Investments** (which can only be used for certain types of ministries), we see that of the assets available for use as needed (**Cash + Nonrestricted Investments** on the right side), at the end of 2022, we had \$0 in **Current Liabilities**, \$19.888 million in **Designated Reserves** and \$10.109 million in **Operating Reserves**.

Total Assets minus **Current Liabilities** minus Restricted Investments minus **Designated Reserves** = **Operating Reserves**:

Total Assets	\$41.100M
Less:	
- Current Liabilities	\$ 0.000M
- Restricted Investments	\$11.103M
- Designated Reserves	<u>\$19.888M</u>
= Operating Reserves	\$10.109M

A few definitions:

**Cash** is literally the cash in our checking account at Hancock-Whitney Bank, used for ministries, compensation, and other operating expenses.

**Nonrestricted Investments** include our Designated Reserves, which are temporarily restricted. However, all the remaining funds within them and all earnings on these investments are Operating Reserves which can be used as needed for ministries and/or operating expenses. A list of Nonrestricted Investments can be found in *Addendum E* at the end of this report.

Most **Restricted Investments** are governed by endowment documents, which permanently restrict the initial investment or principal, and restrict the earnings on those investments for specific purposes, often with specific withdrawal instructions designed to fund ministry without depleting the original investment. Examples of Restricted Investments include the Missions Endowment invested at Vanguard and the Emerging Leaders Endowment invested at TMF. A list of Restricted Investments can be found in *Addendum E* at the end of this report.

**Designated Reserves** are temporarily restricted funds our council has chosen to restrict for certain purposes or ministries. They include some donor restricted funds (like the proceeds from conference-wide appeals for disaster relief) and funds which were temporarily restricted for a specific purpose (for example, property proceeds reserved for campus ministries). A list of Designated Reserves can be found in *Addendum D* at the end of this report.

**Current Liabilities** are amounts owed to others, which we cannot claim as unrestricted assets. These are mainly the result of timing issues; funds owed at the end of the fiscal year and are paid in Quarter 1 of the following year.

**Operating Reserves** are the funds which remain when all other claims on our assets are subtracted from the total. These funds can be used as needed for ministries and/or operating expenses. Total Assets minus Restricted Investments minus Current Liabilities minus Designated Reserves = Operating Reserves. A common “rule of thumb”: organizations should keep a minimum of 10% of their annual budget in operating reserves. At the end of 2022, we had over 100% of our annual conference budget in operating reserves. We are financially stable and ready for future opportunities!

### 3. Designated Reserves

*Please refer to Addendum D at the end of this report. (As of 12/31/2022)*

**Designated Reserves** are temporarily reserved funds our council has chosen to restrict for certain purposes or ministries. As you can see in the list labeled Addendum D at the end of this report, these reserves include some donor restricted funds (which were donated for certain ministries under one of three categories: Assistant to the Bishop, Center for Leadership Formation, or Center for Connectional Resources).

The Council on Finance and Administration plans to keep all Designated Reserve funds restricted, unless at some point in the future the intended ministries no longer exist. In that case, the council could redesignate those funds to be used for similar purposes.

Of course, Designated Reserve fund totals change every month as funds are used for ministry and as new funds are established. Fund balances are reported each year here in the journal, reported to center directors monthly, and made available to others as needed through the conference fiscal office. At the beginning of 2022, the balance was \$9,908,014.63 and ended the year with a balance of \$19,887,800.85.

4. Fiscal Investments

Please refer to Addendum E at the end of this report. (As of 12/31/2022)

Fiscal non-restricted investments increased by \$9.311 million in 2022. Investment returns were negative during the year. Aggregate performance across investment positions netted a loss of \$2.371 million; a negative return for the year of -13.2%. Net contributions to investment positions in 2022 totaled \$11.682 million. The ending market value of the non-restricted investments totaled \$27.338 million as of December 31, 2022.

Beg balance 1-1-22	\$ 18,026,886
Net contributions	11,681,948
Investment losses	<u>(2,371,202)</u>
End balance 12-31-22	\$ 27,337,633

For a complete report on conference fiscal and benefits investments and earnings, please refer to the Investment Committee Report.

The spreadsheet labeled Addendum E (effective 12/31/2022) at the end of this report shows all fiscal funds except those in our Hancock-Whitney Bank Checking Account, including funds invested with Wespeth and TMF (Texas Methodist Foundation). Shaded areas highlight our **Nonrestricted Investments**. Every line item not shaded is a **Restricted Investment**.

Most **Restricted Investments** are governed by endowment documents, which permanently restrict the initial investment or principal, and restrict investment earnings for specific purposes, often with specific withdrawal instructions designed to fund ministry without depleting the original investment. Examples of Restricted Investments include the Missions Endowment invested at Wespeth and the Emerging Leaders Endowment invested at TMF.

As of December 31, 2022, **Nonrestricted Investments** totaled \$27.338 million, of which \$19.889 million was identified as designated reserves.

2023 Information and Reports

5. Strategy for 2023

Prior to disaffiliation, the TAC 2023 approved budget was \$9,285,854. The conference apportionment amounts of the disaffiliated churches is \$4,267,692, which represents a 45.96% decrease in conference apportionment receipts. The apportionment target of the remaining United Methodist Churches is \$5,018,162. See the chart below:



	<b>2022 Total Apportionment</b>	<b># of churches disaffiliated</b>	<b>Apportionment from disaffiliated churches</b>	<b>% decrease</b>
CN	\$2,228,699	34	\$1,897,081	85.0%
CS	\$1,832,014	6	\$ 61,965	3.4%
E	\$ 403,585	58	\$ 248,369	61.5%
N	\$ 501,293	45	\$ 233,798	46.6%
NW	\$ 666,846	52	\$ 500,471	75.1%
S	\$1,498,792	13	\$ 415,894	27.7%
SE	\$ 431,578	29	\$ 258,667	59.9%
SW	\$1,158,073	17	\$ 309,279	26.7%
W	\$ 564,974	40	\$ 342,168	60.6%
Total	\$9,285,854	294	\$4,267,692	45.96%

## 6. Projections and Expenditure Guidelines 2023

*Please refer to Addendum 2023 Spending Guide at the end of this report.*

Each year, the Council on Finance and Administration relies on the conference fiscal office's end-of-year projections to help conference staff align spending with expected receipts. This year's need for every congregation to pay 100% of their apportionments is critically important. For the ministries of the Texas Annual Conference to continue, we must pull together as one body—to continue serving and making disciples of those inside the church, while at the same time reaching those outside the church.

The chart below shows the 300 congregations in the Texas Annual Conference by district. Their apportionment amounts in 2022 were \$5,217,604. In 2023, their apportionments totals are \$5,018,162. If every church paid 100% of their apportionment asks, our income for the ministries would receive \$5,018,162 in receipts. Our 2023 spending guide (budget) is based upon 100% payout of every United Methodist church.

<b>District</b>	<b># of Churches</b>	<b>2022 Apportionment</b>	<b>% Paid 2022</b>	<b>2023 Apportionment</b>
CN	15	\$ 354,410	89.86%	\$ 334,882
CS	47	\$1,861,843	82.27%	\$1,770,049
East	36	\$ 162,204	100.00%	\$ 155,216
North	43	\$ 272,732	90.16%	\$ 266,238
NW	36	\$ 172,397	89.05%	\$ 165,106
South	38	\$1,119,166	59.30%	\$1,082,898
SE	20	\$ 183,743	79.57%	\$ 172,911
SW	31	\$ 866,115	80.13%	\$ 848,794
West	34	\$ 224,994	98.70%	\$ 222,068
Total	300	\$5,217,604	79.30%	\$5,018,162

The comparison of 2022 to 2023 Spending Guide shows a total decrease from \$17,919,051 to \$12,592,826 or 29.73% reduction.

General and Jurisdictional Apportionments decreased from \$7,437,072 to \$6,862,664 (7.73%) reduction. Texas Annual Conference Apportionments decreased from \$9,785,854 to \$5,018,162 (48.73%) reduction. Fair Share Goals increased from \$696,125 to \$712,000 or 2.23% increase.

	2022	2023	% change
General and Jurisdictional:	\$ 7,437,072	\$ 6,862,664	(7.73%)
Texas Annual Conference:	\$ 9,785,854	\$ 5,018,162	(48.73%)
Fair Share Goals:	\$ 696,125	\$ 712,000	2.23%
2022 - 2023 Decrease in Budgets:	\$17,919,051	\$12,592,826	(29.73%)

2024 Information and Reports

7. Proposed 2024 Budget

Please refer to Addendum 2024 Proposed Budget at the end of this report.

The comparison of 2023 to 2024 proposed budget is a total decrease from \$12,592,826 to \$8,772,201 or 30.34% reduction.

General and Jurisdictional Apportionments decreased from \$6,862,664 to \$3,828,271 (44.22%) reduction. Texas Annual Conference Apportionments decreased from \$5,018,162 to \$4,231,930 (15.67%) reduction. Fair Share Goals stay the same.

	2023	2024	% change
General and Jurisdictional:	\$ 6,862,664	\$3,828,271	(44.22%)
Texas Annual Conference:	\$ 5,018,162	\$4,231,930	(15.67%)
Fair Share Goals:	\$ 712,000	\$ 712,000	0.00%
2023 - 2024 Decrease in Budgets:	\$12,592,826	\$8,772,201	(30.34%)

Our 2024 Budget is based upon 100% payout of every United Methodist church.

Additional General Information

We also invite you to read this additional general information concerning:

8. Apportionment Giving

What is an apportionment?

In the United Methodist Church, the vital web of the interactive relationships of connectionalism are funded through apportionments, “a portion meant” for others.

Apportionments are divided into three categories of connectional giving:

- **Texas Annual Conference Ministries**  
Conference apportionments are conference budget funds apportioned to local churches. Each year, the council recommends a budget for Annual Conference approval for the coming year, which determines these totals.

- **Texas Annual Conference: Fair Share Goals Ministries**

Fair Share Goals are optional benevolent giving opportunities which benefit wonderful conference and connectional ministries. Fair Share Goal ministries and dollar goals are determined by the council each year.

- **General and Jurisdictional Ministries**

General and Jurisdictional apportionments are general church and South-Central Jurisdictional budget funds apportioned to annual conferences. By discipline, our conference cannot change or reduce these amounts. Recommendations to lower general church apportionments (by about \$1 million/year for our conference) have been delayed because of the pandemic-caused postponement of General Conference 2020.

### **How are apportionments calculated?**

After a budget for the following year is approved at Annual Conference, budget totals are apportioned to local churches using an expenditure-based formula. An explanation of how apportionments are calculated can be found on our conference website [txcumc.org](http://txcumc.org). For more information, contact our Conference Treasurer at [rbesser@txcumc.org](mailto:rbesser@txcumc.org)

Each fall, apportionment statements for the following year are sent to a representative of each church by email. By discipline, apportioned amounts must be paid monthly by local churches to the conference fiscal office. During each year, monthly apportionment statements showing amounts and percentages paid are sent to a representative of each church by email. If your church is not receiving apportionment statements, please contact Staff Accountant Rochelle Cebrun at [rcebrun@txcumc.org](mailto:rcebrun@txcumc.org).

### **How are apportionments paid?**

By discipline, apportioned amounts must be paid monthly by local churches to the conference fiscal office. There are several ways to pay:

- **Online:**

Yes, you can pay apportionments online. The first time you pay online, and any time you pay before or after the calendar year in which the apportionment is due (for example, if you send in 2023 apportionments in early 2024), please contact Rochelle Cebrun at [rcebrun@txcumc.org](mailto:rcebrun@txcumc.org), for set up and instructions.

- **Mail:**

Please do not pay by cash.

If you are paying by check, please make your check **payable to:**

***“Texas Annual Conference”***

***Please do not make the check payable to “Treasurer” or “Robert Besser.”***

Mail your check directly to our bank’s lock box:

Texas Annual Conference  
Department 0447  
P.O. Box 120447  
Dallas TX 75312-0447

- **Delivery:**  
Please do not pay by cash.  
If you are planning to deliver a check to the conference office, please write the check payable to “Texas Annual Conference” and deliver your check to our physical address:  
Texas Annual Conference Service Center  
5215 Main Street  
Houston TX 77002
- **Paying 2023 apportionments in 2024:**  
Apportionments for 2023 must be paid by **January 10, 2024**. Feel free to mail or deliver your 2023 apportionments by January 10, 2024. If you want to pay your 2023 apportionments online on or after January 1, 2024, please contact Rochelle Cebrun [rcebrun@txcumc.org](mailto:rcebrun@txcumc.org) for set up and instructions.

## 8. Giving beyond the Budget

- **Fair Share Goals**  
Fair Share Goals are optional benevolent giving opportunities which benefit connectional ministries. Fair Share Goal ministries and dollar goals are determined by the council each year. A complete description of the current Fair Share Goals ministries can be found on the website [txcumc.org](http://txcumc.org).
- **UMC Special Sundays and Offerings**  
The council recommends the observance of 2024 Special Sundays and encourages each church to receive an offering.

Special Sundays recommended by the General Church (*The Book of Discipline* ¶824):

**Human Relations Day** – Sunday before Martin Luther King Jr.’s birthday, *January 14, 2024*

**UMCOR Sunday** – Fourth Sunday in Lent, *March 10, 2024*

**Native American Sunday** – Third Sunday of Easter, *April 14, 2024*

**Peace with Justice Sunday** – First Sunday after Pentecost, *May 26, 2024*

**World Communion Sunday** – first Sunday in October, *October 6, 2024*

**United Methodist Student Day** – last Sunday in November, *November 24, 2024*

Special Sundays recommended by the Texas Annual Conference:

**Wesley Community Center Sunday** – third Sunday in February, *February 18, 2024*

**Golden Cross Sunday** – first Sunday in May, *May 5, 2024*

**Methodist Retirement Services Sunday** – second Sunday in May, *May 12, 2024*

**Christian Education Sunday** – fourth Sunday in August, *August 25, 2024*

**Disability Awareness Sunday** – second Sunday in October, *October 13, 2024*

- **Offerings during Annual Conference Sessions**  
During Annual Conference Sessions, May 28 through May 31, 2023, delegates, and guests will be invited to consider three offerings:

1. **Sunday's Opening Celebration Service:** At the opening celebration we will receive an offering going toward our New Faith Communities initiative. As you know the events of the past year have created some unique opportunities for New Faith Communities. Sunday night we will have the opportunity to contribute to these exciting ventures.

a. Baytown / Mont Belvieu area	Rev. Luis Ramirez
b. Bryan, Community Church – a UMC congregation	Rev. Jennifer Hodson
c. Conroe, Water's Edge –	Tommy Hamilton (Lay)
d. Cy-Fair, UMC -	Rev. Shuler Sitsch
e. Houston Hobby and Hwy 288 Corridor	
f. Jacksonville area	Rev. Bonnie Osteen
g. Jasper, United Methodist Church of the Pines	Rev. Jerry Neff
h. Missouri City, Oikon New Faith Community	Rev. Michael Whang
i. Woodville (Chester), Hope UMC	Rev. Ernie Turney

2. **Monday's Memorial Service:** Monday afternoon at our Memorial Service we will have the opportunity to continue to partner with the Laos WELD Project: Water, Education, and Leadership Development. This project focuses on bringing clean water to communities deeply impacted by illnesses associated with the lack of clean water; education of children who do not have access to public education; and Leadership Development as we continue to equip pastoral leaders for this country that is experiencing revival in wonderful ways.
3. **Tuesday's Ordination/Commissioning Service:** On Tuesday night we will celebrate the commissioning and ordination of clergy for the Texas Annual Conference. Bishop Harvey has a custom of taking ordinands on a trip to The Holy Land every other year. This coming January, she hopes to take those who were ordained last year and those being ordained this year with her to the land often referred to as the Fifth Gospel. Few things impact a clergy person's pastoral ministry as much as a trip to The Holy Land where one has the opportunity to stand by the Sea of Galilee and read the Beatitudes, kneel at the Pool of Bethesda and almost hear Jesus ask, "Do you want to be made well?", walk down the Palm Sunday road with Jerusalem in sight remembering Jesus weeping over the city, and so many other moving experiences. It's an honor to invest in this trip for our clergy.

So, this year come to the Texas Annual Conference prepared to invest in these ministries that are guaranteed to have an exponential return on their investment through kingdom impact.

- **Conference-wide Appeals**

From time to time, when the opportunity to address extraordinary needs arises, the council approves a conference-wide appeal, an offering for a specific purpose for a specific time.

## **10. Report Day 2024**

### **What is Report Day?**

After the end of each fiscal year in January, each local church submits an End of Year Report (local church statistics) to their district and any remaining apportionment payments to the conference on what is traditionally referred to as “Report Day.” Report Day is scheduled for **January 9 and 10, 2024**. Each district may choose one or both days to report.

### **Why is Report Day so early?**

The conference would love to schedule Report Day for late January or February to give every local church plenty of time to complete reports and forward apportionments. However, general church apportionments are due to the General Council on Finance and Administration during the week of Martin Luther King, Jr. Day, usually on or about January 19 or 20. And End of Year Report statistics are used by our Texas Annual Conference Cabinet during inventory and appointment season, which begins in late January. Thanks so much for reporting 2022 statistics and paying 2022 apportionments by January 11, 2023.

## **11. Annual Audits**

Each year, the Texas Annual Conference fiscal, episcopal, and benefits offices are audited by an independent certified public accountant. As we write this pre-conference journal report, the CPA firm, Ratliff and Associates, is reviewing our accounts. Copies of our completed audits will be available in the Conference Office. Please contact Controller Mark Hellums [mhellums@txcumc.org](mailto:mhellums@txcumc.org) for additional information.

**Texas Annual Conference UMC Budget**  
**2022 End of Year Close**  
**ADDENDUM 1**

	A	B	C
	2022 Actual		
Description	2022 Budget	YTD 12/31/22	% difference
<b>General Church Apportionments</b>			
World Service	\$ 3,708,802	\$ 2,983,200	80.44%
Episcopal Fund	\$ 1,098,318	\$ 889,129	80.95%
Interdenominational Cooperative Fund	\$ 97,948	\$ 78,136	79.77%
General Administration Fund	\$ 440,391	\$ 349,475	79.36%
Ministerial Education Fund	\$ 1,252,652	\$ 981,109	78.32%
Black College Fund	\$ 499,674	\$ 393,315	78.71%
Africa U.M. University	\$ 111,828	\$ 97,582	87.26%
	\$ 7,209,613	\$ 5,771,946	80.06%
<b>Jurisdictional Apportionments</b>			
Jurisdictional Administration Fund	\$ 75,859	\$ 60,402	79.62%
Lydia Patterson Institute	\$ 140,738	\$ 112,060	79.62%
Jurisdictional Reserves	\$ 10,862	\$ 8,649	79.63%
	\$ 227,459	\$ 181,111	79.62%
<b>General &amp; Jurisdictional Total</b>	<b>\$ 7,437,072</b>	<b>\$ 5,953,057</b>	<b>80.05%</b>
<b>TEXAS ANNUAL CONFERENCE BUDGET:</b>			
<b>Assistant to the Bishop's Office (A2B)</b>			
<b>Staff and Office Support</b>			
Compensation	\$ 873,866	\$ 1,028,664	117.71%
Continuing Education and Seminars	\$ 10,000	\$ 1,805	18.05%
Office Expenses	\$ 5,000	\$ 4,030	80.60%
Miscellaneous Expenses	\$ 5,000	\$ 5,989	119.78%
	\$ 893,866	\$ 1,040,488	116.40%
<b>Ministry Funding</b>			
Meeting Expenses	\$ 10,000	\$ 7,010	70.10%
Conference Leadership Team (CLT) Innovation	\$ 250,000	\$ 138,614	55.45%
Annual Conference	\$ 279,750	\$ 330,778	118.24%
Communications	\$ 159,321	\$ 114,603	71.93%
Disaster Preparedness	\$ 20,000	\$ 11,753	58.77%
Mission Depot Supplies and Equipment	\$ 32,500	\$ 22,312	68.65%
We Love All God's Children (WLAGC)	\$ 50,000	\$ 61,888	123.78%
	\$ 801,571	\$ 686,958	85.70%
<b>Assistant to the Bishop's Office Total</b>	<b>\$ 1,695,437</b>	<b>\$ 1,727,446</b>	<b>101.89%</b>

**Texas Annual Conference UMC Budget**  
**2022 End of Year Close**  
**ADDENDUM 1**

	A	B	C
Description	2022 Budget	2022 Actual YTD 12/31/22	% difference
<b>Center for Leadership Formation</b>			
<b>Staff and Office Support</b>			
Salaries	\$ 930,267	\$ 809,962	87.07%
Continuing Education and Seminars	\$ 20,000	\$ 194	0.97%
Office Expenses	\$ 3,000	\$ 1,170	39.00%
Miscellaneous Expenses	\$ 2,000	\$ 2,857	142.85%
	\$ 955,267	\$ 814,183	85.23%
<b>Ministry Funding</b>			
Meeting Expenses	\$ 12,000	\$ 2,104	17.53%
<u>I. Clergy Leadership</u>			
Board of Ordained Ministry	\$ 95,541	\$ 117,466	122.95%
Clergy Development / Recruitment / Support	\$ 200,150	\$ 88,136	44.03%
<u>II. Church Leadership</u>			
Lay Leadership	\$ 10,000	\$ 620	6.20%
Lay Servant / Certified Lay Ministry (CLM)	\$ 5,000	\$ 10,307	206.14%
Lay Leader Support	\$ 7,500	\$ -	0.00%
Coaching / Leadership Development	\$ 12,000	\$ 32,257	268.81%
<u>III. Racial &amp; Ethnic Ministries</u>			
Hispanic Ministries	\$ 200,000	\$ 121,201	60.60%
African American Church Initiative	\$ 50,000	\$ 36,493	72.99%
Specialists	\$ 200,000	\$ 13,043	6.52%
Equitable Compensation	\$ 125,050	\$ 107,204	85.73%
Clergy Relocation Expense	\$ 240,000	\$ 362,855	151.19%
	\$ 1,157,241	\$ 891,686	77.05%
<b>Center for Leadership Formation Total</b>	<b>\$ 2,112,508</b>	<b>\$ 1,705,869</b>	<b>80.75%</b>
<b>Campus Ministries</b>			
Support	\$ 666,756	\$ 507,534	76.12%
Program	\$ 272,308	\$ 475,036	174.45%
Housing	\$ 55,000	\$ 30,400	55.27%
Capital	\$ 33,000	\$ -	0.00%
Administration	\$ 25,000	\$ 4,163	16.65%
<b>Campus Ministries</b>	<b>\$ 1,052,064</b>	<b>\$ 1,017,133</b>	<b>96.68%</b>
<b>Center for Connectional Resources</b>			
<b>Staff and Office Support</b>			
Compensation	\$ 422,899	\$ 426,941	100.96%
Continuing Education and Seminars	\$ 10,000	\$ 3,224	32.24%
Office Expenses	\$ 5,000	\$ 7,689	153.78%
Miscellaneous Expenses	\$ 3,028	\$ 3,027	99.97%
	\$ 440,927	\$ 440,881	99.99%



**Texas Annual Conference UMC Budget**  
**2022 End of Year Close**  
**ADDENDUM 1**

	A	B	C
	2022 Actual		
Description	2022 Budget	YTD 12/31/22	% difference
<b>Ministry Funding</b>			
Meeting Expenses	\$ 8,000	\$ 2,307	28.84%
Financial Audit	\$ 17,500	\$ 15,500	88.57%
Information Technology	\$ 222,000	\$ 204,288	92.02%
Service Center	\$ 280,000	\$ 231,388	82.64%
Bethany Facility	\$ 200,000	\$ 205,216	102.61%
Missions Center	\$ 42,500	\$ 27,966	65.80%
Episcopal Residence	\$ 8,000	\$ 59,678	745.98%
Conference Cemetery	\$ 7,380	\$ 10,633	144.08%
Archive Center	\$ 13,025	\$ 7,021	53.90%
Other Properties	\$ 33,050	\$ 115,458	349.34%
Legal Services	\$ 15,000	\$ 21,650	144.33%
Insurance	\$ 50,000	\$ 172,824	345.65%
Bishop's Office	\$ 63,000	\$ 21,569	34.24%
Archivist	\$ 7,000	\$ 7,000	100.00%
Safe Sanctuary Consultant / Program	\$ 9,000	\$ 36,515	405.72%
Group Health Benefits	\$ 1,068,000	\$ 957,206	89.63%
Contingency Fund	\$ 48,000	\$ 250	0.52%
	\$ 2,091,455	\$ 2,096,469	100.24%
<b>Center for Connectional Resources Total</b>	<b>\$ 2,532,382</b>	<b>\$ 2,537,350</b>	<b>100.20%</b>
<b>District Superintendents - 700</b>			
Compensation	\$ 1,636,663	\$ 1,743,143	106.51%
Reimbursables	\$ 126,000		0.00%
Continuing Education	\$ 10,800	\$ 7,902	73.17%
	\$ 1,773,463	\$ 1,751,045	98.74%
<b>Cabinet Expense</b>	\$ 80,000	\$ 119,547	149.43%
Legal Services			
<b>District Allocations</b>	\$ 540,000	\$ 540,000	100.00%
<b>District Admin. Compensation</b>		\$ 229,309	
<b>District Superintendents Total</b>	<b>\$ 2,393,463</b>	<b>\$ 2,639,901</b>	<b>110.30%</b>
<b>CONFERENCE TOTAL</b>	<b>\$ 9,785,854</b>	<b>\$ 9,627,699</b>	<b>98.38%</b>
<b>Fair Share Goals</b>			
Justice For All Immigrants (JFON)	\$ 58,667	\$ 18,101	30.85%
OK Indian Mission Conference Support	\$ 11,771	\$ 3,525	29.95%
Conference Advance Special	\$ 39,095	\$ 11,342	29.01%
Lakeview Camping Scholarship	\$ 293,296	\$ 84,335	28.75%
Texas Methodist College Scholarships	\$ 293,296	\$ 83,123	28.34%
<b>Fair Share Goals Total</b>	<b>\$ 696,125</b>	<b>\$ 200,426</b>	<b>28.79%</b>
<b>TOTAL BUDGET</b>	<b>\$ 17,919,051</b>	<b>\$15,781,182</b>	<b>88.07%</b>

## 2023 BUDGET - FUNDING DETAIL

*Adjusted to Account for Disaffiliation Impact*

		Funding for 2023 Budget						
		(A)	(B)	(C)	(D)	(A+B+C+D)		
	ORIGINAL BUDGET	Church Apportionment	Other Sources			TOTAL e/		
			Annual Funding Benefits a/	Departmental b/	Designated Reserves c/	Disaffiliation Reserves d/		
Assistant to the Bishop's Office	\$ 1,763,441	\$ 1,168,003	\$ -	\$ -	\$ 468,466	\$ 132,900	\$	1,769,369
Center for Leadership Formation	2,061,027	802,103	-	104,022	597,108	228,077		1,731,310
Campus Ministries	1,052,064	631,238	-	-	-	420,826		1,052,064
Center for Connectional Resources	1,884,504	937,486	1,118,920	252,116	329,708	22,800		2,661,030
District Superintendents	2,524,818	1,479,332	-	-	-	-		1,479,332
CONFERENCE TOTAL	\$ 9,285,854	\$ 5,018,162	\$ 1,118,920	\$ 356,138	\$ 1,395,282	\$ 804,603	\$	8,693,105

a/ Annually, the Pension Reserve is used to pay administration costs incurred in managing the Pension and Group Health Benefits plans. In addition, the Group Health Reserve is anticipated to cover the expected shortfall in apportionment receipts in 2023 due to disaffiliation.

b/ Departmental expenses are built into the following designated reserves: Board of Trustees, Episcopal Office and Sustentation Fund. Departmental expenses are funded from these reserves annually.

c/ Designated Reserves totaling \$1.395M have been earmarked to assist in funding ministries in 2023.

d/ Disaffiliation net receipts of \$1.182M available as of 12-31-2022. Receipts reflect the apportionment funds paid by disaffiliating churches for unpaid 2021 Conference apportioned amounts.

e/ Reflects the sum of (A) Apportionment to be paid by churches; (B) Annual funding from the Pension Reserve and Designated Reserves earmarked for departmental expenses; (C) Designated reserves; and (D) Disaffiliation reserves.

Texas Annual Conference UMC Budget  
2023 Spending Guide  
Addendum 2023

	D	E	F	G	H	I
	2023 Approved Budget 5/31/22	2023 Spending Guide w/ Targeted Reduction UPDATES - APPORTIONMENT INCOME	% Change from Approved 5/31/2022	2023 Spending Guide w/ Targeted Reduction UPDATES - RESERVES FUNDS	2023 Total Spending Guide from both income sources	Notes
<b>Description</b>						
<b>General Church Apportionments</b>						
World Service	\$ 3,410,616	\$ 3,410,616	0.00%		\$ 3,410,616	
Episcopal Fund	\$ 1,010,022	\$ 1,010,022	0.00%		\$ 1,010,022	
Interdenominational Cooperative Fund	\$ 90,091	\$ 90,091	0.00%		\$ 90,091	
General Administration Fund	\$ 404,983	\$ 404,983	0.00%		\$ 404,983	
Ministerial Education Fund	\$ 1,151,948	\$ 1,151,948	0.00%		\$ 1,151,948	
Black College Fund	\$ 459,502	\$ 459,502	0.00%		\$ 459,502	
Africa U.M. University	\$ 102,835	\$ 102,835	0.00%		\$ 102,835	
	\$ 6,629,997	\$ 6,629,997	0.00%		\$ 6,629,997	
<b>Jurisdictional Apportionments</b>						
Jurisdictional Administration Fund	\$ 77,596	\$ 77,596	0.00%		\$ 77,596	
Lydia Patterson Institute	\$ 143,960	\$ 143,960	0.00%		\$ 143,960	
Jurisdictional Reserves	\$ 11,111	\$ 11,111	0.00%		\$ 11,111	
	\$ 232,667	\$ 232,667	0.00%		\$ 232,667	
<b>General &amp; Jurisdictional Total</b>	<b>\$ 6,862,664</b>	<b>\$ 6,862,664</b>	<b>0.00%</b>		<b>\$ 6,862,664</b>	
<b>TEXAS ANNUAL CONFERENCE BUDGET:</b>						
<b>Assistant to the Bishop's Office (A2B)</b>						
<b>Staff and Office Support</b>						
Compensation	\$ 901,870	\$ 744,757	-17.42%	\$ 168,466	\$ 913,223	WLAGC Designated Reserves
Continuing Education and Seminars	\$ 10,000	\$ 5,000	-50.00%		\$ 5,000	5 staff @ \$1,000 each
Office Expenses	\$ 5,000	\$ 3,750	-25.00%		\$ 3,750	
Miscellaneous Expenses	\$ 5,000	\$ 3,750	-25.00%		\$ 3,750	
	\$ 921,870	\$ 757,257	-17.86%	\$ 168,466	\$ 925,723	
<b>Ministry Funding</b>						
Meeting Expenses	\$ 10,000	\$ 7,500	-25.00%		\$ 7,500	
Conference Leadership Team (CLT) Innovation	\$ 250,000	\$ -	-100.00%	\$ 250,000	\$ 250,000	Church transformation D.R.
Annual Conference	\$ 279,750	\$ 167,850	-40.00%	\$ 111,900	\$ 279,750	Disaffiliated Reserves
Communications	\$ 199,321	\$ 203,896	2.30%		\$ 203,896	Social Media Correction
Disaster Preparedness	\$ 20,000	\$ 12,000	-40.00%	\$ 8,000	\$ 20,000	Disaffiliated Reserves
Mission Depot Supplies and Equipment	\$ 32,500	\$ 19,500	-40.00%	\$ 13,000	\$ 32,500	Disaffiliated Reserves
We Love All God's Children (WLAGC)	\$ 50,000	\$ -	-100.00%	\$ 50,000	\$ 50,000	WLAGC Designated Reserves
	\$ 841,571	\$ 410,746	-51.19%	\$ 432,900	\$ 843,646	
<b>Assistant to the Bishop's Office Total</b>	<b>\$ 1,763,441</b>	<b>\$ 1,168,003</b>	<b>-33.77%</b>	<b>\$ 601,366</b>	<b>\$ 1,769,369</b>	
<b>Center for Leadership Formation</b>						
<b>Staff and Office Support</b>						
Salaries	\$ 878,786	\$ 320,189	-63.56%	\$ 251,130	\$ 571,319	Hispanic ministries, BOM, Sustentation
Continuing Education and Seminars	\$ 20,000	\$ 2,000	-90.00%		\$ 2,000	2 staff @ \$1,000 each
Office Expenses	\$ 3,000	\$ 2,250	-25.00%		\$ 2,250	
Miscellaneous Expenses	\$ 2,000	\$ 1,500	-25.00%		\$ 1,500	
	\$ 903,786	\$ 325,939	-63.94%	\$ 251,130	\$ 577,069	
<b>Ministry Funding</b>						
Meeting Expenses	\$ 12,000	\$ 9,000	-25.00%		\$ 9,000	
<b>I. Clergy Leadership</b>						
Board of Ordained Ministry	\$ 95,541	\$ 57,324	-40.00%	\$ 38,217	\$ 95,541	Disaffiliated Reserves
Clergy Development / Recruitment / Support	\$ 200,150	\$ 120,090	-40.00%	\$ 80,060	\$ 200,150	Disaffiliated Reserves
<b>II. Church Leadership</b>						
Lay Leadership	\$ 10,000	\$ 6,000	-40.00%	\$ 4,000	\$ 10,000	Disaffiliated Reserves
Lay Servant / Certified Lay Ministry (CLM)	\$ 5,000	\$ 3,000	-40.00%	\$ 2,000	\$ 5,000	Disaffiliated Reserves
Lay Leader Support	\$ 7,500	\$ 4,500	-40.00%	\$ 3,000	\$ 7,500	Disaffiliated Reserves
Coaching / Leadership Development	\$ 12,000	\$ 7,200	-40.00%	\$ 4,800	\$ 12,000	Disaffiliated Reserves
<b>III. Racial &amp; Ethnic Ministries</b>						
Hispanic Ministries	\$ 200,000	\$ -	-100.00%	\$ 200,000	\$ 200,000	Hispanic Ministries Designated Reserves
African American Church Initiative	\$ 50,000	\$ -	-100.00%	\$ 50,000	\$ 50,000	AACI Designated Reserves
Specialists	\$ 200,000	\$ -	-100.00%	\$ 200,000	\$ 200,000	Church transformation Designated Reserves
Equitable Compensation	\$ 125,050	\$ 125,050	0.00%		\$ 125,050	
Clergy Relocation Expense	\$ 240,000	\$ 144,000	-40.00%	\$ 96,000	\$ 240,000	Disaffiliated Reserves
	\$ 1,157,241	\$ 476,164	-58.85%	\$ 678,077	\$ 1,154,241	
<b>Center for Leadership Formation Total</b>	<b>\$ 2,061,027</b>	<b>\$ 802,103</b>	<b>-61.08%</b>	<b>\$ 929,207</b>	<b>\$ 1,731,310</b>	
<b>Campus Ministries</b>						
Support	\$ 666,756	\$ 400,053	-40.00%	\$ 266,703	\$ 666,756	Disaffiliated Reserves
Program	\$ 272,308	\$ 163,385	-40.00%	\$ 108,923	\$ 272,308	Disaffiliated Reserves
Housing	\$ 55,000	\$ 33,000	-40.00%	\$ 22,000	\$ 55,000	Disaffiliated Reserves
Capital	\$ 33,000	\$ 19,800	-40.00%	\$ 13,200	\$ 33,000	Disaffiliated Reserves
Administration	\$ 25,000	\$ 15,000	-40.00%	\$ 10,000	\$ 25,000	Disaffiliated Reserves
<b>Campus Ministries</b>	<b>\$ 1,052,064</b>	<b>\$ 631,238</b>	<b>-40.00%</b>	<b>\$ 420,826</b>	<b>\$ 1,052,064</b>	

Texas Annual Conference UMC Budget  
2023 Spending Guide  
Addendum 2023

Description	D 2023 Approved Budget 5/31/22	E 2023 Spending Guide w/ Targeted Reduction UPDATES - APPORTIONMENT INCOME	F % Change from Approved 5/31/2022	G 2023 Spending Guide w/ Targeted Reduction UPDATES - RESERVES FUNDS	H 2023 Total Spending Guide from both income sources	I Notes
<b>Center for Connectional Resources</b>						
<b>Staff and Office Support</b>						
Compensation	\$ 475,021	\$ 287,082	-39.56%	\$ 971,472	\$ 1,258,554	Board of Pensions & Trustees
Continuing Education and Seminars	\$ 10,000	\$ 7,000	-30.00%		\$ 7,000	6 staff @ \$1,000 each
Office Expenses	\$ 5,000	\$ 3,750	-25.00%		\$ 3,750	
Miscellaneous Expenses	\$ 3,028	\$ 2,271	-25.00%		\$ 2,271	
	\$ 493,049	\$ 300,103	-39.13%	\$ 971,472	\$ 1,271,575	
<b>Ministry Funding</b>						
Meeting Expenses	\$ 8,000	\$ 6,000	-25.00%		\$ 6,000	
Financial Audit	\$ 17,500	\$ 17,500	0.00%	\$ -	\$ 17,500	
Information Technology	\$ 222,000	\$ 222,000	0.00%	\$ -	\$ 222,000	
Service Center	\$ 280,000	\$ -	-100.00%	\$ 280,000	\$ 280,000	Board of Trustees
Bethany Facility	\$ -					
Missions Center	\$ 42,500	\$ 29,750	-30.00%	\$ 12,750	\$ 42,500	Missions Fund
Episcopal Residence	\$ 8,000	\$ 8,000	0.00%	\$ -	\$ 8,000	
Conference Cemetery	\$ 7,380	\$ 7,380	0.00%	\$ -	\$ 7,380	
Archive Center	\$ 13,025	\$ 9,117	-30.00%	\$ 3,908	\$ 13,025	Board of Trustees
Other Properties	\$ 33,050	\$ -	-100.00%	\$ 33,050	\$ 33,050	Board of Trustees
Legal Services	\$ 15,000	\$ 15,000	0.00%	\$ -	\$ 15,000	
Insurance	\$ 50,000	\$ 50,000	0.00%	\$ -	\$ 50,000	
Bishop's Office	\$ 63,000	\$ 63,000	0.00%	\$ -	\$ 63,000	
Archivist	\$ 7,000	\$ 7,000	0.00%	\$ -	\$ 7,000	
Safe Sanctuary Consultant / Program	\$ 57,000	\$ 34,200	-40.00%	\$ 22,800	\$ 57,000	Disaffiliated Reserves
Group Health Benefits	\$ 568,000	\$ 168,436	-70.35%	\$ 399,564	\$ 568,000	Group Health Benefits Reserves
Contingency Fund	\$ -	\$ -			\$ -	
	\$ 1,391,455	\$ 637,383	-54.19%	\$ 752,072	\$ 1,389,455	
<b>Center for Connectional Resources Total</b>	<b>\$ 1,884,504</b>	<b>\$ 937,486</b>	<b>-50.25%</b>	<b>\$ 1,723,544</b>	<b>\$ 2,661,030</b>	
<b>District Superintendents - 700</b>						
Compensation	\$ 1,768,018	\$ 1,322,754	-25.18%		\$ 1,322,754	
Reimbursables	\$ 126,000	\$ 91,000	-27.78%		\$ 91,000	
Continuing Education	\$ 10,800	\$ 7,800	-27.78%		\$ 7,800	
	\$ 1,904,818	\$ 1,421,554	-25.37%		\$ 1,421,554	
<b>Cabinet Expense</b>	\$ 80,000	\$ 57,778	-27.78%		\$ 57,778	
Legal Services						
<b>District Allocations</b>	\$ 540,000	\$ -	-100.00%		\$ -	
<b>District Admin. Compensation</b>						
<b>District Superintendents Total</b>	<b>\$ 2,524,818</b>	<b>\$ 1,479,332</b>	<b>-41.41%</b>	<b>\$ -</b>	<b>\$ 1,479,332</b>	
<b>CONFERENCE TOTAL</b>	<b>\$ 9,285,854</b>	<b>\$ 5,018,162</b>	<b>-45.96%</b>	<b>\$ 3,674,943</b>	<b>\$ 8,693,105</b>	
<b>Fair Share Goals</b>						
Justice For All Immigrants (JFON)	\$ 60,000	\$ 60,000	0.00%		\$ 60,000	
OK Indian Mission Conference Support	\$ 12,000	\$ 12,000	0.00%		\$ 12,000	
Conference Advance Special	\$ 40,000	\$ 40,000	0.00%		\$ 40,000	
Lakeview Camping Scholarship	\$ 300,000	\$ 300,000	0.00%		\$ 300,000	
Texas Methodist College Scholarships	\$ 300,000	\$ 300,000	0.00%		\$ 300,000	
<b>Fair Share Goals Total</b>	<b>\$ 712,000</b>	<b>\$ 712,000</b>	<b>0.00%</b>		<b>\$ 712,000</b>	
<b>TOTAL BUDGET</b>	<b>\$ 16,860,518</b>	<b>\$ 12,592,826</b>	<b>-25.31%</b>	<b>\$ 3,674,943</b>	<b>\$ 16,267,769</b>	

**\$ 3,634,518**

\$ 719,356  
\$ 172,808  
\$ 79,308  
\$ 399,564  
\$ 104,022  
\$ 1,475,058

**Annual Reserves**

Board of Pensions  
Board of Trustees  
Episcopal Office  
Group Health Benefits  
Sustentation Fund

**Designated Funds:**

Hispanic Ministries  
Board of Ministries  
Board of Trustees  
WLAGC Fund  
AACI  
Church Transformation  
Mission Endowment Fund  
New Faith Communities (New Church Starts)

\$ 804,603  
\$ 3,674,943

Disaffiliated Reserves

## 2024 BUDGET - FUNDING DETAIL

Funding for 2024 Budget						
	(A)	(B)	(C)	(D)	(A+B+C+D)	
	Other Sources					
Church	Annual Funding		Designated	Disaffiliation		
Apportionment	Benefits a/	Departmental b/	Reserves c/	Reserves d/	TOTAL d/	
Assistant to the Bishop's Office	\$ 1,130,929	\$ -	\$ 311,391	\$ -	\$ 1,442,320	
Center for Leadership Formation	824,766	-	104,022	51,051	1,391,461	
Campus Ministries	631,238	-	208,762	-	840,000	
Center for Connectional Resources	507,050	719,356	551,708	-	2,030,230	
District Superintendents	1,137,947	-	-	-	1,137,947	
CONFERENCE TOTAL	\$ 4,231,930	\$ 719,356	\$ 356,138	\$ 1,483,483	\$ 51,051	\$ 6,841,958

a/ Annually, the Pension Reserve is used to pay administration costs incurred in managing the Pension and Group Health Benefits plans.

b/ Departmental expenses are built into the following designated reserves: Board of Trustees, Episcopal Office and Sustentation Fund. Departmental expenses are funded from these reserves annually.

c/ Designated Reserves totaling \$1.483M have been earmarked to assist in funding ministries in 2024.

d/ Disaffiliation net receipts of \$1.182M available as of 12-31-2022. Receipts reflect the apportionment funds paid by disaffiliating churches for unpaid 2021 Conference apportioned amounts.

e/ Reflects the sum of (A) Apportionment to be paid by churches; (B) Annual funding from the Pension Reserve and Designated Reserves earmarked for departmental expenses; (C) Designated reserves; and (D) Disaffiliation reserves.

**Texas Annual Conference UMC Budget  
2024 Proposed Budget  
ADDENDUM 2024**

	E	J	K	L	M	N
Description	2023 Spending Guide APPORTIONMENT INCOME	2024 Proposed Budget - APPORTIONMENT INCOME	% Change from 2023	2024 Proposed Budget - RESERVE FUNDS	Total Anticipated Disbursements	Notes
<b>General Church Apportionments</b>						
World Service	\$ 3,410,616	\$ 1,849,657	-45.77%		\$ 1,849,657	Reduction in General Conference Apportionments
Episcopal Fund	\$ 1,010,022	\$ 547,759	-45.77%		\$ 547,759	
Interdenominational Cooperative Fund	\$ 90,091	\$ 48,858	-45.77%		\$ 48,858	
General Administration Fund	\$ 404,983	\$ 219,632	-45.77%		\$ 219,632	
Ministerial Education Fund	\$ 1,151,948	\$ 624,729	-45.77%		\$ 624,729	
Black College Fund	\$ 459,502	\$ 249,199	-45.77%		\$ 249,199	
Africa U.M. University	\$ 102,835	\$ 55,770	-45.77%		\$ 55,770	
	\$ 6,629,997	\$ 3,595,604	-45.77%		\$ 3,595,604	
<b>Jurisdictional Apportionments</b>						
Jurisdictional Administration Fund	\$ 77,596	\$ 77,596	0.00%		\$ 77,596	
Lydia Patterson Institute	\$ 143,960	\$ 143,960	0.00%		\$ 143,960	
Jurisdictional Reserves	\$ 11,111	\$ 11,111	0.00%		\$ 11,111	
	\$ 232,667	\$ 232,667	0.00%		\$ 232,667	
					\$ -	
<b>General &amp; Jurisdictional Total</b>	<b>\$ 6,862,664</b>	<b>\$ 3,828,271</b>	<b>-44.22%</b>		<b>\$ 3,828,271</b>	
<b>TEXAS ANNUAL CONFERENCE BUDGET:</b>						
<b>Assistant to the Bishop's Office (A2B)</b>						
<b>Staff and Office Support</b>						
Compensation	\$ 704,332	\$ 785,182	11.48%	\$ 208,891	\$ 994,073	WLAGC Designated Reserves
Continuing Education and Seminars	\$ 5,000	\$ 5,000	0.00%		\$ 5,000	
Office Expenses	\$ 3,750	\$ 3,333	-11.12%		\$ 3,333	
Miscellaneous Expenses	\$ 3,750	\$ 3,333	-11.12%		\$ 3,333	
	\$ 716,832	\$ 796,848	11.16%	\$ 208,891	\$ 1,005,739	
<b>Ministry Funding</b>						
Meeting Expenses	\$ 7,500	\$ 6,667	-11.11%		\$ 6,667	
Conference Leadership Team (CLT) Innovation	\$ -	\$ -			\$ -	Church Revitalization Designated Fund
Annual Conference	\$ 167,850	\$ 167,850	0.00%		\$ 167,850	Reserves
Communications	\$ 244,321	\$ 159,564	-34.69%		\$ 159,564	
Disaster Preparedness	\$ 12,000	\$ -	-100.00%	\$ 20,000	\$ 20,000	mission office lease
Mission Depot Supplies and Equipment	\$ 19,500	\$ -	-100.00%	\$ 32,500	\$ 32,500	mission office lease
We Love All God's Children (WLAGC)	\$ -	\$ -		\$ 50,000	\$ 50,000	WLAGC designated reserves
	\$ 451,171	\$ 334,081	-25.95%	\$ 102,500	\$ 436,581	
					\$ -	
<b>Assistant to the Bishop's Office Total</b>	<b>\$ 1,168,003</b>	<b>\$ 1,130,929</b>	<b>-3.17%</b>	<b>\$ 311,391</b>	<b>\$ 1,442,320</b>	
					\$ -	
<b>Center for Leadership Formation</b>						
<b>Staff and Office Support</b>						
Salaries	\$ 320,189	\$ 393,903	23.02%	\$ 215,644	\$ 609,547	Reserves
Continuing Education and Seminars	\$ 3,000	\$ 3,000	0.00%		\$ 3,000	
Office Expenses	\$ 2,250	\$ 2,250	0.00%		\$ 2,250	
Miscellaneous Expenses	\$ 1,500	\$ 1,500	0.00%		\$ 1,500	
	\$ 326,939	\$ 400,653	22.55%	\$ 215,644	\$ 616,297	
<b>Ministry Funding</b>						
Meeting Expenses	\$ 9,000	\$ 8,000	-11.11%		\$ 8,000	
<b>I. Clergy Leadership</b>						
Board of Ordained Ministry	\$ 57,324	\$ 57,324	0.00%		\$ 57,324	
Clergy Development / Recruitment / Support	\$ 120,090	\$ 99,665	-17.01%	\$ 20,425	\$ 120,090	
					\$ -	
<b>II. Church Leadership</b>						
Lay Leadership	\$ 6,000	\$ 6,000	0.00%		\$ 6,000	
Lay Servant / Certified Lay Ministry (CLM)	\$ 3,000	\$ 3,000	0.00%		\$ 3,000	
Lay Leader Support	\$ 4,500	\$ 4,500	0.00%		\$ 4,500	
Coaching / Leadership Development	\$ 7,200	\$ 7,200	0.00%		\$ 7,200	
					\$ -	
<b>III. Racial &amp; Ethnic Ministries</b>						
Hispanic Ministries	\$ -	\$ -		\$ 200,000	\$ 200,000	Hispanic Ministries Designated Reserves
African American Church Initiative	\$ -	\$ -		\$ 50,000	\$ 50,000	AACI Designated Reserves
Specialists	\$ -	\$ -		\$ 50,000	\$ 50,000	Church Transformation Designated Reserves
Equitable Compensation	\$ 125,050	\$ 94,424	-24.49%	\$ 30,626	\$ 125,050	
Clergy Relocation Expense	\$ 144,000	\$ 144,000	0.00%		\$ 144,000	
	\$ 476,164	\$ 424,113	-10.93%	\$ 351,051	\$ 775,164	
					\$ -	
<b>Center for Leadership Formation Total</b>	<b>\$ 803,103</b>	<b>\$ 824,766</b>	<b>2.70%</b>	<b>\$ 566,695</b>	<b>\$ 1,391,461</b>	
					\$ -	
<b>Campus Ministries</b>						
Support	\$ 400,053	\$ 400,053	0.00%	\$ 208,762	\$ 608,815	Bolsivar and Fiesta properties
Program	\$ 163,385	\$ 163,385	0.00%		\$ 163,385	proceeds (former Wesley
Housing	\$ 33,000	\$ 33,000	0.00%		\$ 33,000	Foundation Director housing)
Capital	\$ 19,800	\$ 19,800	0.00%		\$ 19,800	
Administration	\$ 15,000	\$ 15,000	0.00%		\$ 15,000	
					\$ -	
<b>Campus Ministries</b>	<b>\$ 631,238</b>	<b>\$ 631,238</b>	<b>0.00%</b>	<b>\$ 208,762</b>	<b>\$ 840,000</b>	



Texas Annual Conference UMC Budget  
2024 Proposed Budget  
ADDENDUM 2024

	E	J	K	L	M	N
Description	2023 Spending Guide APPORTIONMENT INCOME	2024 Proposed Budget - APPORTIONMENT INCOME	% Change from 2023	2024 Proposed Budget - RESERVE FUNDS	Total Anticipated Disbursements	Notes
<b>Center for Connectional Resources</b>						
<b>Staff and Office Support</b>						
Compensation	\$ 287,082	\$ 287,082	0.00%	\$ 971,472	\$ 1,258,554	Board of Pensions, Trustees Reserves
Continuing Education and Seminars	\$ 6,000	\$ 7,000	16.67%		\$ 7,000	
Office Expenses	\$ 3,750	\$ 3,750	0.00%		\$ 3,750	
Miscellaneous Expenses	\$ 2,271	\$ 2,271	0.00%		\$ 2,271	
<b>Ministry Funding</b>	\$ 299,103	\$ 300,103	0.33%	\$ 971,472	\$ 1,271,575	
Meeting Expenses	\$ 6,000	\$ 6,000	0.00%		\$ 6,000	
Financial Audit	\$ 17,500	\$ 17,500	0.00%		\$ 17,500	
Information Technology	\$ 222,000		-100.00%	\$ 222,000	\$ 222,000	designated reserves
Service Center	\$ -	\$ -		\$ 280,000	\$ 280,000	Funded by designated BoT reserves
Bethany Facility					\$ -	
Missions Center	\$ 29,750	\$ 29,750	0.00%	\$ 12,750	\$ 42,500	Missions Fund
Episcopal Residence	\$ 8,000	\$ 8,000	0.00%		\$ 8,000	
Conference Cemetery	\$ 7,380	\$ 7,380	0.00%		\$ 7,380	
Archive Center	\$ 9,117	\$ 9,117	0.00%	\$ 3,908	\$ 13,025	Reserves
Other Properties	\$ -	\$ -		\$ 33,050	\$ 33,050	Reserves
Legal Services	\$ 15,000	\$ 15,000	0.00%		\$ 15,000	
Insurance	\$ 50,000	\$ 50,000	0.00%		\$ 50,000	
Bishop's Office	\$ 63,000	\$ 23,000	-63.49%		\$ 23,000	
Archivist	\$ 7,000	\$ 7,000	0.00%		\$ 7,000	
Safe Sanctuary Consultant / Program	\$ 34,200	\$ 34,200	0.00%		\$ 34,200	
Group Health Benefits	\$ 168,436		-100.00%		\$ -	Omitted, as previously planned
Contingency Fund	\$ -				\$ -	
	\$ 637,383	\$ 206,947	-67.53%	\$ 551,708	\$ 758,655	
<b>Center for Connectional Resources Total</b>	<b>\$ 936,486</b>	<b>\$ 507,050</b>	<b>-45.86%</b>	<b>\$ 1,523,180</b>	<b>\$ 2,030,230</b>	
<b>District Superintendents - 700</b>						
Compensation	\$ 1,322,754	\$ 1,017,503	-23.08%		\$ 1,017,503	Five District Superintendents
Reimbursables	\$ 91,000	\$ 70,000	-23.08%		\$ 70,000	Five District Superintendents
Continuing Education	\$ 7,800	\$ 6,000	-23.08%		\$ 6,000	Five District Superintendents
	\$ 1,421,554	\$ 1,093,503	-23.08%		\$ 1,093,503	
<b>Cabinet Expense</b>	\$ 57,778	\$ 44,444	-23.08%		\$ 44,444	Five District Superintendents
Legal Services					\$ -	
<b>District Allocations</b>	\$ -				\$ -	Omitted
<b>District Admin. Compensation</b>					\$ -	
					\$ -	
<b>District Superintendents Total</b>	<b>\$ 1,479,332</b>	<b>\$ 1,137,947</b>	<b>-23.08%</b>	<b>\$ -</b>	<b>\$ 1,137,947</b>	
<b>CONFERENCE TOTAL</b>	<b>\$ 5,018,162</b>	<b>\$ 4,231,930</b>	<b>-15.67%</b>	<b>\$ 2,610,028</b>	<b>\$ 6,841,958</b>	
<b>Fair Share Goals</b>						
Justice For All Immigrants (JFON)	\$ 60,000	\$ 60,000	0.00%		\$ 60,000	Assumed no change
OK Indian Mission Conference Support	\$ 12,000	\$ 12,000	0.00%		\$ 12,000	Assumed no change
Conference Advance Special	\$ 40,000	\$ 40,000	0.00%		\$ 40,000	Assumed no change
Lakeview Camping Scholarship	\$ 300,000	\$ 300,000	0.00%		\$ 300,000	Assumed no change
Texas Methodist College Scholarships	\$ 300,000	\$ 300,000	0.00%		\$ 300,000	Assumed no change
					\$ -	
<b>Fair Share Goals Total</b>	<b>\$ 712,000</b>	<b>\$ 712,000</b>	<b>0.00%</b>		<b>\$ 712,000</b>	
<b>TOTAL BUDGET</b>	<b>\$ 12,592,826</b>	<b>\$ 8,772,201</b>	<b>-30.34%</b>	<b>\$ 2,610,028</b>	<b>\$ 11,382,229</b>	

<b>\$ 2,610,028</b>	<b>Annual Reserves</b>
\$ 719,356	Board of Pensions
\$ 172,808	Board of Trustees
\$ 79,308	Episcopal Office
\$ -	
<u>\$ 104,022</u>	Sustentation Fund
\$ 1,075,494	
<b>Designated Reserves</b>	
\$ 311,622	Hispanic Ministries
\$ 538,958	Board of Trustees
\$ 178,041	WLAGC (500,000-356082=143918 balance)
\$ 50,000	AACI
\$ 50,000	Church Transformation
\$ 80,850	New Faith Communities (New Church Starts)
\$ 208,762	Bolsivar & Fiesta Property Reserves
\$ 32,500	Mission Center Office Lease
<u>\$ 32,750</u>	Missions Fund
\$ 1,483,483	
\$ 51,051	Disaffiliation Reserves
<b>\$ 2,610,028</b>	

**Addendum A**

**Texas Annual Conference UMC  
Apportionment Receipts Comparison 2021 vs 2022**

	2021			2022		
	Apportionment	Receipts	% Paid	Apportionment	Receipts	% Paid
World Service	\$ 3,849,678	\$ 2,106,499	54.72%	\$ 3,708,535	\$ 2,983,200	80.44%
Ministerial	1,300,240	724,571	55.73%	1,252,562	981,109	78.33%
Black College Fund	518,654	298,522	57.56%	499,638	393,315	78.72%
Africa UM University	116,073	68,232	58.78%	111,820	97,582	87.27%
Interdenominational Cooperative	101,688	57,116	56.17%	97,941	78,136	79.78%
General Admin. Fund	457,117	253,847	55.53%	440,359	349,475	79.36%
Episcopal Fund	1,140,044	790,899	69.37%	1,098,239	889,129	80.96%
Jurisdictional Apportionment	232,497	132,615	57.04%	227,443	181,111	79.63%
<b>General &amp; Jurisdictional Totals:</b>	<b>\$ 7,715,991</b>	<b>\$ 4,432,301</b>	<b>57.44%</b>	<b>\$ 7,436,537</b>	<b>\$ 5,953,057</b>	<b>80.05%</b>
Ctr for Congregational Excellence	\$ 1,243,670	\$ 1,035,196	83.24%	\$ -	\$ -	N/A
New Church New Faith	1,003,364	848,145	84.53%	-	-	N/A
Ctr for Clergy Excellence	672,195	585,898	87.16%	-	-	N/A
Ctr for Church Leadership Formation	-	-	N/A	1,942,847	1,901,892	97.89%
Mission & Communications	1,349,135	1,131,635	83.88%	1,657,390	1,602,862	96.71%
Ctr for Connectional Resources	1,833,494	1,527,441	83.31%	1,431,522	1,403,538	98.05%
Campus Ministry	1,051,302	921,803	87.68%	1,028,459	1,050,955	102.19%
District Superintendents	1,852,121	1,608,412	86.84%	2,339,738	2,304,819	98.51%
Equitable Compensation	124,960	111,532	89.25%	122,240	120,263	98.38%
Medical Benefits Program	1,566,863	1,372,819	87.62%	1,044,031	1,037,053	99.33%
<b>Conference Totals:</b>	<b>\$ 10,697,104</b>	<b>\$ 9,142,881</b>	<b>85.47%</b>	<b>\$ 9,566,227</b>	<b>\$ 9,421,382</b>	<b>98.49%</b>
<b>Apportionments Total:</b>	<b>\$ 18,413,095</b>	<b>\$ 13,575,182</b>	<b>73.73%</b>	<b>\$ 17,002,764</b>	<b>\$ 15,374,439</b>	<b>90.42%</b>
<b>Fair Share Goals</b>						
Oklahoma Indian Mission	\$ 11,990	\$ 5,515	46.00%	\$ 11,770	\$ 3,525	29.95%
Justice for Our Neighbors (JFON)	59,957	19,036	31.75%	58,663	18,101	30.86%
Conference Advance Special	39,972	12,364	30.93%	39,092	11,342	29.01%
Lakeview Summer Camp Scholarship	299,783	97,756	32.61%	293,275	84,335	28.76%
Texas Methodist College Scholarship	299,783	91,506	30.52%	293,275	83,123	28.34%
<b>Fair Share Goals Totals:</b>	<b>\$ 711,485</b>	<b>\$ 226,177</b>	<b>31.79%</b>	<b>\$ 696,075</b>	<b>\$ 200,426</b>	<b>28.79%</b>
<b>Grand Totals:</b>	<b>\$ 19,124,580</b>	<b>\$ 13,801,359</b>	<b>72.17%</b>	<b>\$ 17,698,839</b>	<b>\$ 15,574,865</b>	<b>88.00%</b>



Investment Committee  
 Buck Thornton, Chairperson  
 Rev. Robert Besser, Treasurer  
 Mark Hellums, Controller

The Investment Committee elected by the Texas Annual Conference in 2021 is responsible for making recommendations to the Council on Finance and Administration and Board of Pensions concerning all invested fiscal and benefits funds. The committee meets four times each year to review market conditions and investment earnings. Guided by Investment Policy Statements, committee members seek to be good stewards of Texas Annual Conference resources.

This report is divided into five sections:

1. Historical Returns
2. Asset allocation targets for Benefit Plan investments
3. Investment performance for Benefit Plan investments
4. Asset allocation targets for Fiscal Office investments
5. Investment performance for Fiscal Office investments

## 1. Historical Returns

*Please refer to Addendum A at the end of this report.*

### Benefits

- In 2022, Pensions investments produced a loss of -17.31% and Group Health Benefits investments produced a loss of -17.57%. Over the past 16 years, Pension and Group Health Benefits investments have returned positive returns 11 times. Losses in 2022, were the largest since 2008 when returns were -23.48% for Pensions and -27.82% for Group Health Benefits.
- Over a 16-year period, annualized returns are 6.02% for Pensions and 5.13% for GHB.

### Fiscal Office

- In 2022, non-restricted investments produced a loss of -13.15% and the restricted Mission Endowment Fund produced a loss of -16.63%. Over the past four years, annualized returns are 4.61% for non-restricted investments and 5.50% for the Mission Endowment Fund.

## 2. Asset allocation targets for Benefit Plan investments

*Please refer to Addendum B and C at the end of this report.*

- 75 / 25 for Pension Plan portfolio
  - 75% equity is split 50% U.S. & 25% Non-U.S.
- 70 / 30 for Group Health portfolio
  - 70% equity is split 45% U.S. & 25% Non-U.S.
- 75 / 25 for Retiree Medical portfolio
  - 75% is 100% U.S.

TOTAL managed investment assets were \$98.994M as of December 31, 2022.

- \$38.3M Pension
- \$ 9.3M Group Health
- \$22.9M Retiree Medical

### 3. Investment performance for Benefit Plan investments

*Please refer to Addendum D at the end of this report.*

As of the December close, 86.6% of assets are invested in Wespath strategies, 11.4% advised by Morgan Stanley and the balance is with Texas Methodist Foundation.

Wespath's U.S. Equity Fund, International Equity Fund and Multiple Asset Fund continued to underperform the benchmarks in 2022. The U.S. Equity Fund and International Equity Fund has underperformed its benchmark for the 3-year reporting period ending 12-31-22 while slightly outperforming the benchmark for the 5-year reporting period ending 12-31-22. The Multiple Asset Fund has outperformed its benchmarks for the 3-year and 5-year reporting periods ending 12-31-22. In 2022, the aggregate investment position (Pension + Group Health Benefits + Retiree Medical) decreased (\$22.0M).

- |                                   |                  |
|-----------------------------------|------------------|
| • Total returns                   | (\$16.2M)        |
| • Net deposits                    | \$ 0.9M          |
| • Transactions / DB contributions | <u>(\$ 6.7M)</u> |
| • TOTAL CHANGE                    | (\$22.0M)        |

### 4. Asset allocation targets for Fiscal Office investments

*Please refer to Addendum B and E at the end of this report.*

- 45 / 55 for Fiscal Office active investments
  - 45% equity is split 25% U.S. & 20% Non-U.S.

### 5. Investment performance for Fiscal Office investments

*Please refer to Addendum F at the end of this report.*

As of the December close, 67.1% of active assets are invested in Wespath strategies and 32.9% are invested in the Texas Methodist Foundation Loan Fund. Wespath's Multiple Asset Fund continued to underperform the benchmark in 2022. The Texas Methodist Foundation Loan Fund returned 1.11% in 2022. In 2022, the aggregate investment position for Fiscal Office active investments increased \$9.0M.

- |                 |                  |
|-----------------|------------------|
| • Total returns | (\$ 2.6M)        |
| • Net deposits  | \$11.7M          |
| • Withdrawals   | <u>(\$ 0.1M)</u> |
| • TOTAL CHANGE  | \$ 9.0M          |

## **Addendum A**

### **Historical Returns Board of Pensions and Group Health Benefits**

	<i>Board of Pensions</i>	<i>Group Health Benefits</i>	
Net assets available for plan benefits (1-1-07)	\$ 33,108,433	\$ 7,523,686	
- Receipts	110,321,956	184,038,024	
- Disbursements	(119,502,041)	(206,206,875)	
- Investment income	43,593,743	19,423,892	
- Transfer of funds	(28,259,608)	28,259,608	
Net assets available for plan benefits (12-31-22) *	\$ 39,262,483	\$ 33,038,335	a/

#### *Investment Returns by Year:*

2007	8.36%	6.24%
2008	-23.48%	-27.82%
2009	24.60%	22.41%
2010	14.21%	13.11%
2011	-1.08%	-0.80%
2012	12.59%	11.12%
2013	12.76%	11.54%
2014	4.20%	4.64%
2015	-2.78%	-2.85%
2016	12.70%	9.87%
2017	18.01%	17.50%
2018	-6.69%	-6.82%
2019	23.78%	22.36%
2020	20.69%	22.22%
2021	10.68%	13.19%
2022	-17.31%	-17.57%
Annualized 1-1-07 to 12-31-22	6.02%	5.13%

a/ Excludes Postretirement liability and  
Incurred But Not Reported liability  
as of 12-31-22:  
Postretirement liability - \$19.308M  
IBNR - \$1.359M

\* Pension includes cash of \$1,120,016 less accounts payable of \$190,787.

\* Group Health includes cash of \$697,589 plus apportionment receivable of \$122,612 less accounts payable of \$0.

***Addendum A continued***  
**Historical Returns**  
**Fiscal Office Active Investments**

	<i>Non -</i> <u><i>Restricted</i></u>	<u><i>Restricted (a)</i></u>	
Beginning Balance (1-1-19)	\$ 9,965,306	\$ 1,057,570	
- Receipts	17,000,000	-	
- Disbursements	(1,318,052)	(206,000)	
- Investment income	1,690,378	253,422	
Ending Balance (12-31-22)	\$ 27,337,633	\$ 1,104,992	a/
<i>Investment Returns by Year:</i>			
2019	15.65%	18.70%	
2020	11.80%	13.52%	
2021	6.64%	10.28%	
2022	-13.15%	-16.63%	
Annualized 1-1-19 to 12-31-22	4.61%	5.50%	

a/ Missions Endowment invested with Wespath

**Addendum B**

**TEXAS ANNUAL CONFERENCE**  
Summary of Investments  
Period Ending 12-31-2022

**FISCAL OFFICE INVESTMENTS**

<i>Targeted Allocation Percentages</i>			
- U.S. Equity Allocation	25.0%		
- International Equity Allocation	20.0%		
Total Equity	45.0%		
- Fixed Income Allocation	55.0%		
TOTAL	100.0%		
<i>Invested Assets by Manager</i>			
- Wespath	\$ 19,082,616	67.1%	
- Texas Methodist Foundation	9,360,009	32.9%	
TOTAL	\$ 28,442,625	100.0%	

**PENSION INVESTMENTS**

<i>Targeted Allocation Percentages</i>			
- U.S. Equity Allocation	50.0%		
- International Equity Allocation	25.0%		
Total Equity	75.0%		
- Fixed Income Allocation	25.0%		
TOTAL	100.0%		
<i>Invested Assets by Manager</i>			
- Wespath	\$ 30,791,919	80.3%	
- Morgan Stanley	6,156,798	16.1%	
- Texas Methodist Foundation	1,384,537	3.6%	
TOTAL	\$ 38,333,254	100.0%	

**GROUP HEALTH INVESTMENTS**

<i>Targeted Allocation Percentages</i>			
- U.S. Equity Allocation	45.0%		
- International Equity Allocation	25.0%		
Total Equity	70.0%		
- Fixed Income Allocation	30.0%		
TOTAL	100.0%		
<i>Invested Assets by Manager</i>			
- Wespath	\$ 7,512,582	80.5%	
- Morgan Stanley	1,824,146	19.5%	
- Texas Methodist Foundation	-	0.0%	
TOTAL	\$ 9,336,727	100.0%	

**RETIREE MEDICAL INVESTMENTS**

<i>Targeted Allocation Percentages</i>			
- U.S. Equity Allocation		75.0%	
- International Equity Allocation		0.0%	
Total Equity		75.0%	
- Fixed Income Allocation		25.0%	
TOTAL		100.0%	
<i>Invested Assets by Manager</i>			
- Wespath	\$ 22,881,406	100.0%	
- Morgan Stanley	-	0.0%	
- Texas Methodist Foundation	-	0.0%	
TOTAL	\$ 22,881,406	100.0%	

**TOTAL Invested Assets by Manager**

- Wespath	\$ 80,268,522	81.1%	
- Morgan Stanley	7,980,944	8.1%	
- Texas Methodist Foundation	10,744,546	10.9%	
TOTAL	\$ 98,994,012	100.0%	

**Addendum C**

**TEXAS ANNUAL CONFERENCE**  
**Pension and Group Health Benefits Investments**  
**Allocation by Fund / Portfolio**  
**Period Ending 12/31/2022**

	<u>% of Fund</u>	<u>% of Plan</u>	<u>Market Value of Assets 12-31-22</u>
<b>TOTAL INVESTMENTS</b>			<b>70,551,387.06</b>
<b>PENSION INVESTMENTS</b>			
<b>Deposit Account</b>			
- ST Investment Fund (Wespath)	100.0%	1.0%	376,470.88
<b>Pension Reserve</b>			
- U.S. Equity Index Fund (Wespath)	41.6%	32.0%	12,253,342.37
- International Equity Fund (Wespath)	22.2%	17.0%	6,520,148.75
- Fixed Income Fund (Wespath)	10.6%	8.1%	3,107,708.40
- Equity Strategy (Morgan Stanley)	7.2%	5.5%	2,124,351.60
- Fixed Income Strategy (Morgan Stanley)	13.7%	10.5%	4,032,446.67
- Loan Fund (Texas Methodist Foundation)	4.7%	3.6%	1,384,536.83
<i>Total Pension Reserve</i>	100.0%	76.8%	29,422,534.62
<b>Texas Superannuate Endowment</b>			
- Multiple Asset Fund (Wespath)	100.0%	0.3%	134,094.58
<b>Corpus Retirement Endowment</b>			
- U.S. Equity Index Fund (Wespath)	60.0%	13.2%	5,044,242.43
- International Equity Fund (Wespath)	18.8%	4.1%	1,578,601.36
- Fixed Income Fund (Wespath)	21.2%	4.6%	1,777,310.07
	100.0%	21.9%	8,400,153.86
<b>TOTAL PENSION INVESTMENTS</b>	N/A	100.0%	<b>38,333,253.94</b>
<i>Allocation Percentages (excludes Deposit Account)</i>			
- U.S. Equity Allocation			51.29%
- International Equity Allocation			<u>21.44%</u>
Total Equity			72.73%
- Fixed Income Allocation			27.27%

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## GROUP HEALTH INVESTMENTS

### Group Health Reserve

- U.S. Equity Index Fund (Wespath)	30.7%	30.7%	2,862,065.01
- International Equity Fund (Wespath)	23.4%	23.4%	2,184,759.08
- Fixed Income Fund (Wespath)	26.4%	26.4%	2,465,757.62
- Equity Strategy (Morgan Stanley)	19.5%	19.5%	1,824,145.63

<b>TOTAL GROUP HEALTH INVESTMENTS</b>	100.0%	100.0%	<b>9,336,727.34</b>
---------------------------------------	--------	--------	---------------------

### *Allocation Percentages*

- U.S. Equity Allocation	50.19%
- International Equity Allocation	<u>23.40%</u>
Total Equity	73.59%
- Fixed Income Allocation	26.41%

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## RETIREE MEDICAL INVESTMENTS

### Retiree Medical Fund

- U.S. Equity Index Fund (Wespath)	74.9%	74.9%	17,146,627.09
- Fixed Income Fund (Wespath)	25.1%	25.1%	5,734,778.69

<b>TOTAL RETIREE MEDICAL INVESTMENTS</b>	100.0%	100.0%	<b>22,881,405.78</b>
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### *Allocation Percentages*

- U.S. Equity Allocation	74.94%
- International Equity Allocation	<u>0.00%</u>
Total Equity	74.94%
- Fixed Income Allocation	25.06%

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**Addendum D**

**TEXAS ANNUAL CONFERENCE  
Pension and Group Health Benefits Investments  
Performance by Manager**

	% of Total Investments	Market Value of Assets 12-31-22	Month	YTD	Annualized Performance for Period Ending 12/31/22		
					1 Year	3 Year	5 Year
Wespath Investments							
- U.S. Equity Fund Index Fund	52.9%	37,306,276.90	-5.72%	-19.67%	-19.67%	7.06%	8.82%
- Benchmark (Russell 3000 Index)			-5.86%	-19.21%	-19.21%	7.07%	8.79%
- Over (Under) Benchmark			0.14%	-0.46%	-0.46%	-0.01%	0.03%
- International Equity Fund	14.6%	10,283,509.19	-1.21%	-21.06%	-21.06%	-0.46%	1.26%
- Benchmark (MSCI ACWI ex U.S. Invest Mkt Index (Net))			-0.62%	-16.58%	-16.58%	0.20%	0.85%
- Over (Under) Benchmark			-0.59%	-4.48%	-4.48%	-0.66%	0.41%
- Fixed Income Fund	18.5%	13,085,554.78	-0.40%	-12.65%	-12.65%	-2.17%	0.41%
- Benchmark (Bloomberg Barclay's U.S. Universal ex-MBS)			-0.31%	-13.34%	-13.34%	-2.34%	0.39%
- Over (Under) Benchmark			-0.09%	0.69%	0.69%	0.17%	0.02%
- Multiple Asset Fund	0.2%	134,094.58	-2.43%	-16.63%	-16.63%	2.34%	4.02%
- Benchmark (Blended Benchmark) a/			-2.54%	-16.00%	-16.00%	2.29%	3.87%
- Over (Under) Benchmark			0.11%	-0.63%	-0.63%	0.05%	0.15%
- ST Investment Fund	0.5%	376,470.88	0.33%	1.24%	1.24%	0.55%	1.16%
- Benchmark (BoA ML 3-month Treasury Bill Index)			0.36%	1.47%	1.47%	0.73%	1.27%
- Over (Under) Benchmark			-0.03%	-0.23%	-0.23%	-0.18%	-0.11%
Total Wespath Portfolios		61,185,906.33					
Morgan Stanley							
Equity Strategy a/							
- Board of Pension Account	3.0%	2,124,351.60	-3.66%	-18.18%	-18.18%	3.76%	5.22%
- Group Health Benefits Account	2.6%	1,824,145.63	-3.66%	-18.19%	-18.19%	3.73%	5.15%
- Benchmark (Blended Benchmark) b/			-3.60%	-15.43%	-15.43%	4.59%	5.82%
- Over (Under) Benchmark (BoP Account)			-0.06%	-2.75%	-2.75%	-0.83%	-0.60%
- Over (Under) Benchmark (GHB Account)			-0.06%	-2.76%	-2.76%	-0.86%	-0.67%
- Fixed Income Strategy - CD	0.2%	109,270.45	0.37%	-1.22%	-1.22%	N/A	N/A
- Benchmark (BoA ML 3-month Treasury Bill Index)			0.36%	1.47%	1.47%	N/A	N/A
- Over (Under) Benchmark			0.01%	-2.69%	-2.69%	N/A	N/A
- Fixed Income Strategy - Corporate Bond	5.6%	3,923,176.22	-0.48%	-10.75%	-10.75%	-2.26%	N/A
- Benchmark (Bloom Barc Intern 70% / Corporate 30%)			-0.19%	-11.13%	-11.13%	-1.72%	N/A
- Over (Under) Benchmark			-0.29%	0.38%	0.38%	N/A	N/A
Total Morgan Stanley Portfolios		7,980,943.90					
Texas Methodist Foundation							
- Methodist Loan Fund	2.0%	1,384,536.83	0.10%	1.11%	1.11%	1.39%	1.64%
- Benchmark (BoA ML 3-month Treasury Bill Index)			0.36%	1.47%	1.47%	0.73%	1.27%
- Over (Under) Benchmark			-0.26%	-0.36%	-0.36%	0.66%	0.37%
TOTAL ASSETS		70,551,387.06					

a/ Blended benchmark consists of the individual benchmarks of the MAF's underlying funds with weightings equal to the proportionate weighting of the underlying funds in MAF:

- 10% Barclay's Capital U.S. Global Inflation-Linked Bond Index
- 25% Barclay's Capital U.S. Universal Index ex Mortgage-Backed Securities
- 35% Russell 3000 Index
- 30% Morgan Stanley Capital International All Country World Index (MSCI ACWI) ex-USA

b/ Blended benchmark consists of the individual benchmarks of the Equity Strategy's underlying funds with weightings equal to the proportionate weighting of the underlying funds in the Equity Strategy:

- 29% MSCI EAFE Net
- 21% Russell 1000 Value
- 7% Russell 3000 Growth
- 14% S&P 500 Index
- 13% Russell 3000
- 6% Russell Mid Cap Value
- 4% Russell 2500
- 6% MSCI EM Net

\* Market values for equity investments do not include accrued interest and dividends.



**Addendum E**

**TEXAS ANNUAL CONFERENCE  
Fiscal Office Investments  
Allocation by Fund / Portfolio  
Period Ending 12-31-2022**

	<u>% of Fund</u>	<u>% of Total</u>	<u>Market Value of Assets</u>	<u>12/31/21 Values</u>	<u>YTD Gain / (Loss)</u>
<b>ACTIVE INVESTMENTS</b>					
<b>TAC Fiscal Office Investments</b>					
- Multiple Asset Fund (Wespath)	100.0%	63.2%	17,977,623.76	5,215,115.68	(1,038,856.60)
<b>TAC Loan Fund</b>					
- Multiple Asset Fund (Wespath)	N/A	0.0%	-	1,058,813.54	(197,506.81)
<b>TAC Center for Congregational Excellence Fund</b>					
- Multiple Asset Fund (Wespath)	N/A	0.0%	-	4,599,436.96	(857,960.43)
<b>TAC Endowment Fund for Missions</b>					
- Multiple Asset Fund (Wespath)	N/A	3.9%	1,104,991.83	1,413,060.22	(252,068.39)
<b>TAC Fund LT</b>					
- LT Fund (Vanguard)	N/A	0.0%	-	2,121,585.64	(323,004.22)
<b>TAC Programs Fund</b>					
- Loan Fund (TMF)	N/A	32.9%	9,360,009.14	3,715,242.15	44,766.99
<b>TAC Reserve Fund</b>					
- Loan Fund (TMF)	N/A	0.0%	-	1,316,692.33	1,359.26
<b>TOTAL ACTIVE INVESTMENTS</b>	N/A	100.0%	<b>\$ 28,442,624.73</b>	<b>\$ 19,439,946.52</b>	<b>\$ (2,623,270.20)</b>
<i>Allocation Percentages - Available Reserves (excludes Endowment for Missions)</i>					
- U.S. Equity Allocation			23.02%		
- International Equity Allocation			19.73%		
Total Equity			42.74%		
- Fixed Income Allocation			57.26%		

### **Addendum E continued**

	<u>% of Fund</u>	<u>% of Total</u>	<u>Market Value of Assets</u>	<u>12/31/21 Values</u>	<u>YTD Incr / (Decr)</u>
<b>OTHER INVESTMENTS</b>					
<b>TAC Retired Ministers Retreat</b>					
- Short Term Portfolio (TMF)	100.0%	0.1%	\$ 12,777.76	\$ 8,577.04	47.72
<b>TAC Ministers' Spouses</b>					
- Short Term Portfolio (TMF)	100.0%	0.1%	14,407.21	11,307.31	56.90
<b>TAC Spouses Assistance</b>					
- Short Term Portfolio (TMF)	100.0%	0.0%	4,017.58	3,921.32	18.26
<b>TAC Spouses Crisis Response</b>					
- Short Term Portfolio (TMF)	100.0%	0.2%	15,673.12	22,392.76	(3,154.64)
<b>TAC Lunday Memorial Endowment</b>					
- Balanced Portfolio (TMF)	100.0%	0.3%	33,641.35	40,148.80	(6,507.45)
<b>TAC Advancing Pastoral Leadership</b>					
- Methodist Loan Fund (TMF)	N/A	0.0%	-	116,052.46	83.40
<b>TAC Emerging Leaders Endowment</b>					
- Balanced Portfolio (TMF)	100.0%	92.0%	9,195,183.74	9,967,010.39	(1,636,943.91)
<b>TAC Young Clergy Mentoring Fund</b>					
- Methodist Loan Fund (TMF)	100.0%	2.0%	199,556.20	197,946.90	1,609.30
<b>TAC Emerging Leaders</b>					
- Short Term Portfolio (TMF)	N/A	0.0%	-	-	-
<b>TAC Ambassador's Fund</b>					
- Methodist Loan Fund (TMF)	N/A	0.0%	-	37,963.13	31.21
<b>TAC Rudy Williams Fund</b>					
- Balanced Portfolio (TMF)	N/A	0.0%	-	-	-
<b>TAC Verheyden Scholarship</b>					
- Balanced Portfolio (TMF)	100.0%	0.2%	19,512.26	23,286.64	(3,774.38)
<b>TAC Irvin Scholarship</b>					
- Balanced Portfolio (TMF)	100.0%	3.8%	381,196.09	497,730.31	(80,426.90)

**Addendum F**

**TEXAS ANNUAL CONFERENCE  
Fiscal Office Investment  
Performance by Manager  
Period Ending 12/31/22**

<b>ACTIVE INVESTMENTS</b>	<b>% of Total</b>	<b>Market Value of Assets</b>	<b>YTD Gain / (Loss)</b>	<b>Month</b>	<b>YTD</b>
<b>Wespath Investments</b>					
- Multiple Asset Fund	67.1%	19,082,615.59	(2,669,396.45)	2.43%	-16.63%
- Custom Blended Benchmark a/				-2.54%	-16.00%
- Over (Under) Benchmark				4.97%	-0.63%
<b>Texas Methodist Foundation</b>					
- Methodist Loan Fund	32.9%	9,360,009.14	46,126.25	0.10%	1.11%
- BoA ML 3-month Treasury Bill Index				0.36%	1.47%
- Over (Under) Benchmark				-0.26%	-0.36%
<b>TOTAL ACTIVE ASSETS</b>		<b>28,442,624.73</b>	<b>(2,623,270.20)</b>		

<b>OTHER INVESTMENTS</b>	<b>% of Total</b>	<b>Market Value of Assets</b>	<b>YTD Gain / (Loss)</b>	<b>Month</b>	<b>YTD</b>
<b>Texas Methodist Foundation</b>					
- Short Term Portfolio (TMF)	0.51%	51,288.39	(3,011.93)	0.07%	0.47%
- BoA ML 3-month Treasury Bill Index				0.36%	1.47%
- Over (Under) Benchmark				-0.29%	-1.00%
- Balanced Portfolio (TMF)	96.97%	9,695,633.02	(1,741,601.89)	-2.54%	-16.21%
- Custom Blended Benchmark a/				-2.54%	-16.00%
- Over (Under) Benchmark				0.00%	-0.21%
- Methodist Loan Fund (TMF)	2.21%	220,979.12	1,896.67	0.10%	1.11%
- BoA ML 3-month Treasury Bill Index				0.36%	1.47%
- Over (Under) Benchmark				-0.26%	-0.36%
- Fixed Income Fund (TMF)	0.30%	30,354.68	(4,616.85)	-0.40%	-12.65%
- Bloomberg Barclay's U.S. Universal ex-MBS				-0.31%	-13.34%
- Over (Under) Benchmark				-0.09%	0.69%
<b>TOTAL OTHER INVESTMENTS</b>		<b>9,998,255.21</b>	<b>(1,747,334.00)</b>		

**TOTAL INVESTMENTS**

**38,440,879.94      (4,370,604.20)**

(a) Custom benchmark - 35% Russell 3000 Index, 30% MSCI All Country World Index (ACWI) ex-USA Investable Market Index (IMI), 25% Bloomberg Barclays U.S. Universal Index ex-Mortgage Backed Securities (MBS) and 10% Inflation Protection Fund (IPF) Benchmark.

**CONFERENCE STATISTICIAN'S REPORT**  
**Mark Hellums, Conference Statistician**

The following statistics were taken from 2022 Report Day:

TOTAL FULL MEMBERS AT END OF 2021	256,390	
MEMBERS REMOVED DUE TO DISAFFILIATED CHURCHES IN 2022	117,405	45.79%
MEMBERSHIP RECEIVED IN 2022		
Profession of Christian Faith	1,425	
Restored by Affirmation	63	
Transfer other UM Churches	1,772	
Other Denominations	515	
Correction Previous Year Additions	<u>3,002</u>	
Total Received	6,777	
MEMBERS REMOVED IN 2022		
By Charge Conference Action	1,767	
Withdrawn	963	
Transfer other UM Churches	695	
Other Denominations	434	
Death	1,215	
Correction Previous Year Subtraction	<u>4,905</u>	
Total removed	9,979	
TOTAL FULL MEMBERS AT END OF 2022		135,783
 AVERAGE WORSHIP ATTENDANCE	24,111	17.75%
NUMBER OF PERSONS WHO WORSHIP ONLINE	18,235	13.42%
PERSONS BAPTIZED (ALL AGES)	936	
TOTAL ENROLLED IN CONFIRMATION	855	
TOTAL CHRISTIAN FORMATION GROUPS	43,091	
AVERAGE SUNDAY SCHOOL ATTENDANCE	11,268	8.29%
 ASIAN	1,287	0.95%
AFRICAN AMERICAN/BLACK	38,717	28.51%
HISPANIC	3,505	2.58%
NATIVE AMERICAN	108	.08%
PACIFIC ISLANDER	97	.07%
WHITE	90,869	66.92%
MULTI-RACIAL	791	.58%
 FEMALE MEMBERS	77,719	57%
MALE MEMBERS	57,655	43%

*Ethnicity and gender data is not yet final. Verified data will be reflected in the Conference Journal.*

## MEMBERSHIP & WORSHIP AVERAGE:

Years	Membership	Years	Worship Average
2015	282,273	2015	100,149
2016	282,041	2016	97,913
2017	278,248	2017	94,429
2018	278,348	2018	92,816
2019	275,123	2019	89,808
2020	265,511	2020	56,013
2021	256,390	2021	49,503
2022	135,783	2022	24,111

<p>Board of Trustees Hal Sharp, Chairperson Rev. Robert Besser, Treasurer Rev. Dr. Will Reed, Chief Operating Officer</p>
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The Board of Trustees serve as directors of the Texas Annual Conference of the United Methodist Church, incorporated as a Texas nonprofit corporation, and registered with the office of the Texas Secretary of State. Your Conference Board of Trustees (BOT) is charged with the responsibility for all properties owned by the Texas Annual Conference (TAC), plus any local church properties within the Conference that have closed or been declared discontinued or abandoned.

The Board of Trustees works to advance the vision and mission of the Annual Conference by being good stewards of the properties and resources entrusted to it. This includes the responsibility “to invest, reinvest, buy, sell, transfer and convey any and all funds and properties that it may hold in trust, subject always to the terms of the legacy, devise, or donation.” ¶2512.3c (2016 United Methodist Book of Discipline)

We also assist local churches and pastors by providing wisdom and consultation regarding property and insurance issues facing local churches through the Office of Connectional Resources which supports the work of the Trustees.

The BOT maintains appropriate insurance, manages, and maintains all properties owned by the TAC, including those properties that have been acquired as churches have closed, been discontinued, or abandoned. (See details on spreadsheet at the end of this report.)

The following properties were sold in 2021-2022

Tyler, Liberty Hill  
Galena Park, La Vid (Former Galena Park UMC)  
Henderson, Carlisle  
Houston, Bethany (sold for \$9.275 million)  
Palestine, sold 15 undeveloped acres of the Texas Conference Cemetery  
Houston, UH Wesley Foundation Parsonage  
Cameron, Maysfield  
Batson, Batson  
Buffalo, Lanely  
Houston, 6000 Heatherbrook (sold for \$2.75 million, the TAC owner financed \$1 million of the total with a 4 year balloon note)  
Beaumont, First Korean (Asbury)  
San Augustine, Chapel Hill (Gift Deed to the Chapel Hill Cemetery Association)  
Panola County, Stateline Cemetery (Gift Deed)  
The Woodlands Hills, NFC Property to First Methodist Church, Conroe

The following churches closed in 2022-2023

Big Sandy, Big Sandy UMC  
Dialville, Dialville UMC  
Mineola, Hainesville UMC  
Palestine, St. Paul's UMC  
Centerville, Hopewell UMC  
Satin, Satin UMC

At the December 3, 2022, Special Session, there were 294 churches that the Board of Trustees recommended for disaffiliation. All were approved for disaffiliation by the Annual Conference.

*Note: The Principles of Disaffiliation included at the end of this report were approved by the Texas Annual Conference in 2020 and are still in effect. For more information, please contact your District Superintendent, Rev. Robert Besser, Rev. Kip Gilts, or Bishop Cynthia F. Harvey.*

The following churches merged in 2022-2023 with property retained by the joining congregations:

Naples, First and Omaha, First (the merged church is called Naples, First UMC)  
Jewett, St. Matthew and Jewett (Merged church is called Community of Faith UMC)  
Hughes Springs, Harris Chapel and Avinger UMC (Merged Church is called Avinger UMC)

The following properties are pending while the BOT determines more details:

Hawkins, Bethlehem  
Marshall, lot on Portland Avenue  
Marshall, Rosehill

The following properties are listed for sale:

- Anderson County, 2.63 Acres
- Anderson County, 3.46 Acres
- Athens, Crescent Heights
- Bellville, Richard Grove
- Big Sandy, Church and Parsonage
- Centerville, Hopewell
- Dialville, Dialville
- Donie, Donie Memorial
- Grapeland, Percilla (Abiding Faith)
- Mineola, Hainesville
- Hughes Springs, Bethlehem
- Hughes Springs, Liberty
- Jacksonville, Antioch
- Leona, Hillary Chapel
- Manvel, 1931 Highway 6 (Morris Avenue)
- Palestine, St. Paul's
- Rosebud, Swan's Chapel
- Saratoga, Saratoga

The TAC is also responsible for the following properties:

- Beaumont, Lamar Wesley Foundation
- College Station, Texas A and M Wesley Foundation
- Conroe, Mission & Archives Center
- Houston, Episcopal Residence
- Houston, Properties at 1911 Gano Street
- Houston, UM Service Center, 5215 Main Street
- Houston, TSU Wesley Foundation
- Huntsville, SHSU Wesley Foundation
- Nacogdoches, SFA Wesley Foundation (some properties)
- Palestine, Lakeview Cemetery
- Katy, Peek Road property for New Faith Communities

The TAC has known mineral interests on properties in the following counties:

- Brazoria County
- Brazos County
- Burleson County
- Harris County
- Henderson County (3 properties, Board of Pensions)
- Panola County - 5 properties (includes mineral rights retained on one property sold)
- Rusk County – 11 properties
- San Augustine County – 2 properties
- Scurry County (Board of Pensions)
- Smith County

A complete listing of Texas Annual Conference properties follows in Appendix xx. For more information, contact Rev. Dr. Will Reed at [wreed@txcumc.org](mailto:wreed@txcumc.org).

**Principles Regarding Local Church Requests for Disaffiliation**  
(approved by the 2020 Texas Annual Conference)

In anticipation of the General Conference to be held in August of 2021, it is possible that local churches will seek to leave The United Methodist Church. The Texas Annual Conference hereby clarifies the principles governing its approval process for any such request. We believe these to be fair to all. As of this date, ¶2548.2 and ¶2553 of the *Book of Discipline* govern procedures by which a local church can be granted permission to disaffiliate from The United Methodist Church and depart with its property and other assets. We are aware that ¶2553 may be revised by General Conference or by the Judicial Council, and that other proposals may supersede these Disciplinary paragraphs in the future.

Both paragraphs of the *Book of Discipline* require approval of the annual conference for a church to disaffiliate. While other approvals may be necessary as well, the following are the minimum requirements for the annual conference to approve such a step under the current *Book of Discipline*:

1. First, the Pastor and Lay Leadership of the Church (Lay Leader, Church Council Chair and/or Lay Delegate to Annual Conference) meet with their District Superintendent to discuss ‘why’ to disaffiliate.
2. Members of the local church must complete an appropriate process of discernment. The determination of whether a process is appropriate is made by the church’s District Superintendent.
3. After the local church nears completion of the process of discernment, the annual conference will calculate apportionment and unfunded pension liability estimates for that local church.
4. The local church may vote to move forward with the disaffiliation process. To move forward, disaffiliation must be affirmed by a simple majority (¶2548.2) or a two-thirds majority (¶2553) of a duly called church conference.
5. The local church must pay in full the previous year’s apportionments and the current year’s apportionments.
6. The local church must pay in full the unfunded pension liability, as calculated by the TAC Board of Pensions in accordance with Wespath’s guidance.
  - a. The valuation is based on a market valuation of unfunded liability
  - b. The valuation takes in to account the local church’s share of the liability
  - c. The valuation gives the local church credit for its contributions to the Conference’s pension reserves with credit for earning over time.
7. The local church must complete all forms in accordance with GCFA’s disaffiliation guidance.
8. After all the foregoing steps have been completed, the TAC may vote to release the local church from any obligations under the trust clause in ¶2503 in accordance with the then applicable *Book of Discipline*.



### Texas Conference Properties Status List

	<i>District</i>	<i>City</i>	<i>Church Name</i>	<i>Physical Address</i>	<i>Zip Code</i>	<i>Church Status</i>	
1	CN	Porter	2 lots	NA	77365	12/31/2008	Closed
2	E	Chester	Cade Memorial	186 Camden Rd	75936	2/1/2020	Closed
3	E	Chester	Mt. Hope/ Cade Memorial	Tyler County Road 2600	75936	2/1/2020	Closed
4	E	Grapeland	Percilla AKA Abiding Faith UMC	6 miles from Grapeland, 239 CR 1710	75844	12/31/2019	Abandoned
5	E	Moscow	raw land (1 acre)	FM 62 (just east of 59)	77351		
6	E	San Augustine	San Augustine	Blackjack Cemetery			
7	E	Hemphill-Bronson	Pine Hill with cemetery	FM 2024 near 184 West of Hemphill (east of Bronson)			closed
8	N	Hughes Springs	Bethlehem	10 CR 2850, Naples	75568	1/2/1900	Not Closed
9	N	Hughes Springs	Liberty	FM 250 West	75656		Abandoned
10	N	Marshall	Rosehill	9083 U. S. Highway 80 W	75670		Abandoned
11	N	Marshall	raw land (.133 acre)	507 Portland Avenue	75670		
12	N	?	raw land (unknown)	?			
13	NFC	Katy	Peek Road	8.75 acres, south of Beckendorff on West side of Road	77449		
14	NW	Athens	Crescent Heights	Corner of Hwy 31 and FR 753	75752	5/13/2020	Closed
15	NW	Big Sandy	Big Sandy, Church	101 North Tyler Street	75755	10/30/2022	Closed
16	NW	Big Sandy	Big Sandy, Parsonage	103 North Tyler Street	75755	10/30/2022	closed
17	NW	Dialville	Dialville UMC	170 County Road 1611	75785	12/4/2022	Closed
18	NW	Hainesville	Hainesville	3435 FM 49, Mineola	75773	4/15/2022	Closed
19	NW	Hawkins	Bethlehem	CR 3400 and CR 3419	75765	1/1/2020	Closed
20	NW	Jacksonville	Antioch	1905 (2709) County Road 3111	75766	12/1/2019	Closed
21	NW	Palestine	St. Paul's	215 N Texas Avenue	75801	5/16/2022	Closed

22	SE	Saratoga	Nome	Roark Street	77585	1/1/2003	Closed
23	TAC	Anderson Cty.	raw land (2.63 acres) with cemetery	Anderson Cty Road 184	75801		
24	TAC	Anderson Cty.	raw land (3.46 acres) with cemetery	Anderson Cty Road 499	75801		
25	TAC	Beaumont	Wesley Foundation	4590 Cheek St.	77705		
26	TAC	College Station	Wesley Foundation	201 Tauber Street			
27	TAC	Conroe	Archives Center	3765 N Loop 336 E	77301		Occupied
28	TAC	Conroe	Mission Center	3765 N Loop 336 E	77301		Occupied
28	TAC	Houston	Episcopal Residence	2042 Southgate Blvd	77030		Occupied
29	TAC	Houston	Properties on the near Northside of Houston	1911 Gano Street	77009	City of Houston Lease Expires 2024	Leased
30	TAC	Houston	UM Service Center	5215 Main Street	77002		Occupied
31	TAC	Houston	TSU Wesley (TSU Campus Ministry)	3809 Sampson, #3,	77004		Occupied
32	TAC	Huntsville	SHSU Wesley Foundation	1632 University Avenue	77340		Occupied
33	TAC	Nacogdoches	Wesley Foundation	129 E College St.	75965		
34	TAC	Manvel	Vacant Land (.1636 acre)	1931 Morris Ave. (Highway 6)	78758		
35	TAC	Palestine	Lakeview Cemetery	Highway 294	75801		Occupied
36	TAC	Prairie View	PV A&M Wesley Foundation Parsonage	200 Elm Street	77446		No
37	W	Bellville	Richard Grove	1502 School Road	77418	11/18/2018	Closed
38	W	Centerville	Hopewell	CR 318	75883	9/12/2022	Closed
39	W	Donie	Donie Memorial	325 Worthy Street	75838	11/1/2015	Closed
40	W	Leona	Hillary Chapel	first dirt road (CR 416-Hillary Chapel Road sign at corner) to left on 977 heading east after leaving I45	75850	10/25/2015	Closed
41	W	Rosebud	raw land (.25 acres)	Oak Street	76570		
42	W	Satin	Satin	146 CR 4045	76685	10/30/2022	closed

Board of Pensions  
 Greg Williams, Chairperson  
 Rev. Robert Besser, Treasurer

The Texas Conference Board of Pensions brings this report to the 2023 Annual Conference in full and appreciative recognition of the sacrificial giving, careful planning and dedicated stewardship of predecessor Annual Conferences and Conference Boards of Pensions. We owe a debt of gratitude to our laity and to our clergy who have established the pension infrastructure on which the Texas Conference now stands. We are grateful as we make this report for the work they have done and for the opportunity to continue to work on the pension programs of the Texas Annual Conference and the United Methodist Church which helps grow transforming clergy that lead vibrant growing congregations.

The Board of Pensions supports the Vision and Mission of the Texas Annual Conference by funding and administering the outstanding retirement benefit programs for Clergy which helps empower Clergy to make disciples for Jesus Christ for the transformation of the world to the glory of God. This strategy allows clergy to Invest in the Young, Grow Fruitful Churches and Create Transforming Lay and Clergy Leaders.

Report items requiring a vote include the following:

- Acceptance of this report and the forecast for 2024.
- Basic Recommendations for 2024:
  - 1. Funding Pensions for Past Service Rate
  - 2. CRSP Funding Pensions for Current Service
- Clergy on Medical Leave will continue to receive their group health subsidy through the Sustentation Fund. 60% of the monthly cost of the participant's elected medical coverage will be covered by the Sustentation Fund.
- In 2023, the UMPIP non-matching contribution was 3%. There is no change in 2024. The non-matching contribution rate remains 3% through 2024.

The report is divided into the following sections:

<u>Section I</u>	Basic Recommendations to be acted on by this Conference.
	1. Funding Pensions for Past Service Rate
	2. CRSP Funding Pensions for Current Service
<u>Section II</u>	Board of Pensions Investment Accounts
<u>Section III</u>	Pre-1982 Years of Service and Ministerial Pension Plan
<u>Section IV</u>	Housing Resolution
<u>Section V</u>	Comprehensive Protection Plan Summary
<u>Section VI</u>	Adoption Agreement – Clergy Retirement Security Program (CRSP)
<u>Section VII</u>	Electronic Funds Transfer
<u>Section VIII</u>	The Sustentation Fund
<u>Section IX</u>	Intentional Interim Ministers
<u>Section X</u>	2023 Update from the Board of Pensions
	1. 3% UMPIP non-matching contribution through 12/31/24
	2. Retiree Medical HRA Contributions
	3. Comprehensive Funding Plan
<u>Section XI</u>	Review and Approved Uses of Pension Reserve, Group Health Reserve and Retiree Medical Reserve
<u>Addendum A</u>	Change in Net Assets Available for Plan Benefits (2021 – 2024)
<u>Addendum B</u>	2022 Board of Pensions Net Assets Available for Plan Benefits
<u>Addendum C</u>	2022 Board of Pensions Actual Performance vs. Budget

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## Section I. Basic Recommendations

### 1. Funding Pensions for Past Service Rate

Past Service is that service rendered prior to January 1, 1982, by clergy members and Full-Time Local Pastors which has been approved for pension credit. Funding for pensions for past service is provided through earnings on pension reserves. The Texas Annual Conference's past service rate for 2023 is \$912.00. In 2023, the Texas Annual Conference's past service rate was the third highest across 52 Conferences. In addition, the \$912.00 does not include the Pre-92 Group Health Benefits subsidy which is unique to TAC. Since 2015, the annualized rate of inflation in the U.S. has been 2.67%. The recommendation is to increase the PSR for 2024 by 3.00%.

BE IT RESOLVED:

- 1) That the 2024 Past Service Rate for approved service rendered by ordained Ministers and Full-Time Local Pastors be set at \$939.00 (*reflects a 3.00% increase from the 2023 rate of \$912.00*).
- 2) That the rate for Surviving Spouses be set at 75% of the Past Service Rate.
- 3) That the 2024 Past Service Rate becomes effective January 1, 2024.

### 2. CRSP Funding Pensions for Current Service

Current Service is that service rendered on and after January 1, 2024, by clergy. Funding for pensions for current service is the responsibility of the salary-paying unit to which the appointment is made. The funding for pensions and a reserve fund is through the Clergy Retirement Security Program (CRSP) administered by Wespath.

WHEREAS the United Methodist Church began in 2007 a new pension program for all years of service beginning January 1, 2007,

THEREFORE, BE IT RESOLVED,

That we affirm the action taken at 2006 session of the Texas Annual Conference which placed the church contribution for each clergy participant according to the following CRSP Funding Plan:

#### A) Defined Benefit (DB) a/

I. Projected Total Cost to Texas Annual Conference (TAC) would be:  $6.2460\% \times \$78,292 \text{ (DAC)} \times 1.07 \times 473.25 \text{ (Eligible Participants)} = \$2,476,246 \text{ (Total DB)}$

II. Plan Compensation of Eligible Participant  $\div$  Total TAC Plan Compensation = "Decimal"

III. Funding for Eligible Participant = "Total DB \$"  $\times$  "Decimal"

#### B) Defined Contribution (DC)

1.  $2\% \times \text{Plan Compensation of Eligible Participant}$
2. UMPIP –  $1\% \times \text{Plan Compensation of Eligible Participant}$

#### C) Comprehensive Protection Plan (CPP)

$3\% \times \text{Plan Compensation of Eligible Participant}$   
(Not to exceed an annual contribution of \$4,697.52)

#### D) Reserve Fund

$.25\% \times \text{Plan Compensation of Eligible Participants}$

#### E) Sustentation Fund

$.75\% \times \text{Plan Compensation of Eligible Participant}$

a/ Eligible participants of 473.25 assume CRSP eligibility for 75% appointment and above in 2024.

NOTE:

- 1) The "contribution base" (Plan Compensation) of a clergyperson's salary consists of:
  1. taxable cash salary

2. housing related allowances and utilities
  3. salary-reduction contributions to Internal Revenue Code section 125 or 403(b) plans, and
  4. when a parsonage is provided, 25% of the sum of 1, 2 and 3, or housing allowance in lieu of a parsonage.
- 2) The Denominational Average Compensation in 2024 will be \$78,292. Thus, the maximum CPP contribution by any Texas Conference participant will be 3% of twice the DAC or \$4,697.52.
- 3) The minimum level for participating in CPP in 2024 is a contribution base equal to 25% of the Denominational Average Compensation. In 2024, 25% of DAC will be \$19,573.00. Thus, a cash salary of \$15,658.40 will be necessary to reach this 25% requirement since \$15,658.40 plus 25% (\$3,914.60) for housing = \$19,573.00.

## Section II. Board of Pensions Investment Accounts

	2022		2021	
	Earnings	Balance	Earnings	Balance
Deposit Account	\$ 11,495	\$ 376,471	\$ (804)	\$ 180,131
Superannuate Endowment	(26,749)	134,095	12,948	160,844
Corpus Retirement Endowment	(2,222,347)	8,400,154	1,593,680	12,122,500
Pension Reserve	(6,273,150)	29,422,534	3,280,888	36,274,881
	<u>\$(8,510,751)</u>	<u>\$ 38,333,254</u>	<u>\$ 4,886,712</u>	<u>\$ 48,738,356</u>

Notes to table of assets:

1. The Board of Pensions received royalties from oil and gas leases in 2022 and 2021 in the amount of \$11,983 and \$7,525 respectively which were deposited in the Pension operating account.
2. The 2022 balance column does not reflect cash of \$1,120,016. The 2021 balance column does not reflect cash of \$895,210.
3. All Conference Board of Pension assets are invested in accordance with the Investment Policy Statement for the Texas Annual Conference United Methodist Church.

## Section III. Pre-1982 Years of Service and Ministerial Pension Plan

Supplement One to the Clergy Retirement Security Program (CRSP), also known as the Pre-82 Plan, provides clergy with a pension for their years of ministry with The United Methodist Church prior to 1982. The plan is designed to provide participants with one piece of their overall retirement portfolio.

The Pre-82 Plan was replaced by MPP effective January 1, 1982. The Ministerial Pension Plan (MPP) is a 403(b)-retirement plan administered by Wespeth that provides benefits to eligible United Methodist Church clergy with service from 1982 through 2006.

MPP is part of the Clergy Retirement Security Program (CRSP). MPP was closed to new enrollments and no contributions were made after December 31, 2006. MPP was replaced by CRSP on January 1, 2007. The accounts of clergy who participated in MPP continue to be invested, and benefits are available at retirement or at age 62 for terminated clergy.

## Section IV. Housing Resolution

### RESOLUTIONS RELATING TO RENTAL/HOUSING ALLOWANCES FOR RETIRED OR DISABLED MINISTERS

The Texas Annual Conference (the “Conference”) adopts the following resolutions relating to rental/housing allowances for retired or disabled clergypersons of the Conference:

WHEREAS, the religious denomination known as The United Methodist Church (the “Church”), of which this Conference is a part, has in the past functioned and continues to function through ministers of the gospel (within the meaning of Internal Revenue Code section 107) who were or are duly ordained, commissioned, or licensed ministers of the Church (“Clergypersons”);

WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation;

WHEREAS, pensions or other amounts paid to retired and disabled Clergypersons are considered to be deferred compensation and are paid to retired and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the appropriate organization to designate a rental/housing allowance for Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation.

NOW, THEREFORE, BE IT RESOLVED:

THAT an amount equal to **100% of the pension or disability payments** received from plans authorized under *The Book of Discipline of The United Methodist Church* (the “*Discipline*”), which includes all such payments from Wespath, during the years 2023 and 2024 by each retired or disabled Clergyperson who is or was a member of the Conference, or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and

THAT the pension or disability payments to which this rental/housing allowance applies will be any pension or disability payments from plans, annuities, or funds authorized under the *Discipline*, including such payments from Wespath and from a commercial annuity company that provides an annuity arising from benefits accrued under a Wespath plan, annuity, or fund authorized under the *Discipline*, that result from any service a Clergyperson rendered to this Conference or that an active, retired or disabled Clergyperson of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergyperson to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such retired or disabled Clergyperson’s pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergyperson’s gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107(2) and regulations there under to the least of:

- (1) the amount of the rental/housing allowance designated by the Clergyperson’s employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year;
- (2) the amount expended by the Clergyperson to rent or provide a home in such year; or

- (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

The housing/rental allowance exclusion is available only to clergy, not to surviving spouses, but the death of a minister during the year does not invalidate the exclusion for the entire year. The exclusion is still available for the part of the year the minister was alive.

Since neither Wespath nor the Texas Annual Conference gives legal tax advice, each minister should consult with his or her own attorney, CPA, or other tax advisor.

## **Section V. Comprehensive Protection Plan Summary**

The current Comprehensive Protection Plan Adoption Agreement was signed by the Texas Conference in 2016 to be effective 1-1-17. It shall be effective until amended by the Conference and agreed to by the Administrator in accordance with the provisions of the Comprehensive Protection Plan. Every year the benefits are communicated by Wespath.

## **Section VI. Adoption Agreement – Clergy Retirement Security Program (CRSP)**

The Clergy Retirement Security Program (CRSP) Adoption Agreement was adopted by the Texas Conference as defined in the Clergy Retirement Security Program Plan Document and agreed to by Wespath for the Plan Year commencing January 1, 2007. It shall be effective until amended by the Conference and agreed to by the Board in accordance with the provisions of the Clergy Retirement Security Program. Previous Adoption Agreements shall remain in effect for the Plan Years to which they apply.

## **Section VII. Electronic Funds Transfer**

An important aspect of the CRSP pension structure is that each Annual Conference is responsible for all pensions-related billing and collections, beginning January 1, 2007. The Board of Pensions, therefore, requires that the Texas Annual Conference utilize Electronic Funds Transfer for pension collections. The Board of Pensions has negotiated an Electronic Funds Transfer (EFT) agreement with Hancock Whitney Bank, the banking institution for the Texas Annual Conference.

## **Section VIII. The Sustentation Fund**

### **1. Statement of Intent**

The Sustentation Fund of the Texas Annual Conference is a fund representing a tangible expression of a collegial relationship among clergy under appointment in the conference to provide transitional aid. The Sustentation Fund will provide temporary financial assistance to clergy who are placed on Medical Leave, Leave of Absence, Emergency Assistance, and to assist local congregations in times of clergy transition. Sustentation Fund payments shall be the responsibility of each local congregation, shall be part of the benefit program through the Conference Board of Pensions, and shall not exceed 0.75% of each clergy's total compensation.

### **2. Eligibility for Membership**

Clergy under appointment who participate in the Wespath program administered by the Texas Annual Conference are eligible.

#### **A. Structure**

1. The Board of Pensions is the supervising agency for the Sustentation Fund. The activities of the Sustentation Fund are reported to the Board of Pensions on a semi-annual basis.
2. The Conference Benefits Officer (CBO) of the Texas Annual Conference shall have direct responsibility for the administration of the Sustentation Fund.

3. The Conference Benefits Officer (CBO) of the Texas Annual Conference shall be the custodian of the permanent records of the Sustentation Fund.
4. The Fiscal Officer of the Texas Annual Conference shall manage all resources of the Sustentation Fund by deposit, investment, and dispersal of all funds.

B. Disclaimer

The Sustentation Fund shall not accept responsibility nor does its existence constitute responsibility by the Texas Annual Conference or any of its agencies for any resources beyond the benefits specifically identified in these guidelines which cannot, do not, and will not be extended beyond the range of (12) months length from the beginning of such benefits.

This limitation on the payment of premiums for Group Health Benefits for clergy Medical Leave shall not apply. On recommendation of the Cabinet, and at the determination of the Sustentation Fund Committee based on available resources, assistance in the payment of Group Health Benefits may be extended beyond the original twelve (12) month period.

C. Benefits

The Sustentation Fund is limited to providing cash benefits for the following purposes:

1. For Payment of required CPP contributions for CPP participants who are on Medical Leave and on Leave of Absence when payment of CPP is authorized by the Cabinet.
2. For assistance in payment of Group Health Benefits contributions for persons on Medical Leave and are covered by the Texas Conference's self-insured group health plan. This assistance will be as follows:
  - 60% of contributions to be paid by Sustentation Fund / 40% of contributions to be paid by participant.
3. For assistance in payment of Group Health Benefits contributions for persons on Leave of Absence as requested by the Cabinet. This assistance during the Leave of Absence will be as follows:
  - 60% of contributions to be paid by Sustentation Fund / 40% of contributions to be paid by participant.
4. For payment of benefits to persons re-entering General Ministry on recommendation from and requisition by the Committee on Conference Relations and the Cabinet with concurrence by Sustentation Fund Committee. Pre-approved items will include, but may not be limited to, such services as vocational assessment, counseling, temporary housing, medical insurance protection and shall not exceed \$15,000 per year.
5. For Emergency Assistance as defined by the Cabinet.
6. For providing interim clergy support.

D. Funding and Budgeting

1. The Sustentation Fund shall be funded by contribution of the salary paying unit on behalf of each eligible participant of the Texas Annual Conference on an amount equal to 0.75% of Plan Compensation, which is the basis of the calculation of Pensions through Wespeth.
2. When the Sustentation Fund was established in 2006, funds were allocated according to the following percentages: Interim Clergy Support (50%), Group Health Benefits Support for clergy on Medical Leave (25%), and Emergency Relief (25%). An increase in Group Health Benefits costs for clergy on Medical Leave caused that portion of the Sustentation Fund to run a deficit, while the other portions of the fund had a surplus. To address this imbalance, the Board of Pensions eliminated the percentage allocations of the Sustentation Fund effective January 1, 2011, and this action was approved at the 2011 Annual Conference.



E. The Process of Collection of Sustentation Fund Resources

1. The Center for Connectional Resources shall bill each local congregation with eligible clergy serving under appointment.
2. Contributions to the Sustentation Fund shall be in accord with the established procedures of the Texas Annual Conference for pension billing.

*Sustentation Fund*

Balance Forward January 1, 2022,	\$619,270.62
2022 Receipts from Pensions	\$323,492.47
Total	\$942,763.09
Disbursements *	<u>(\$454,210.55)</u>
Balance December 31, 2022,	\$ 488,552.54

\* Note: 2022 Sustentation Fund Disbursements by category:

1. Interim Clergy – \$362,045.55
2. Group Health (for Clergy on Medical Leave) – \$62,805.00
3. Emergency Relief – \$29,360.00

**Section IX. Intentional Interim Ministers**

A. Settings for Intentional Interim Ministers

1. Sabbaticals
2. Health issues
3. Ministerial transitions, such as retirement, transfers, appointments to ministry of Superintendency
4. Death of a Pastor
5. Ending of the appointment of a beloved or long-tenured pastor
6. Traumatic departure of a Pastor
7. Unhealthy or conflicted congregation
8. Other factors that contribute to a disruption in congregational life

B. Compensation

1. A covenant for compensation will be signed at the initial meeting with the Pastor-Staff Relations.
2. The District Superintendent and the Center for Clergy Excellence will negotiate the compensation package and prepare the covenant to be signed.
3. Short Term Interim Ministers will be compensated at a level no less than the Conference Equitable Compensation.
4. Long Term Interim Ministers shall be compensated at a minimum level no less than the local congregation's pastoral compensation, but not less than the Conference Average Compensation.
  - a. If the local congregation's pastoral compensation is below the Conference Average Compensation, then the Sustentation Fund of the Texas Annual Conference will provide funding for the difference.
4. Housing will be considered as part of the compensation package, negotiated and included in the covenant.

**Section X. 2023 Update from the Board of Pensions**

**1. UMPIP non-matching contribution remains set at 3% each year through 12/31/24**

Due to the termination of the retiree medical benefit for those individuals who were age 55 or younger on January 1, 2017, and to assist under age 55 clergy to accumulate the assets necessary to provide for their own retiree medical coverage, the Board of Pensions instituted an additional 2% contribution to the UMPIP. The UMPIP contribution rate is 3% (1% paid by churches / 2% paid from pension reserves) and has been unchanged since January 1, 2018. The additional 2% contribution to UMPIP from pension reserves is reviewed on an annual basis. Due to the postponement of 2020 General Conference and the subsequent delay of the implementation of the proposed new Wespath Compass Pension Plan, the Board of Pensions is recommending the UMPIP contribution rate of 3% remain in place through 12/31/24. The UMPIP non-matching contribution rate, by year, since 2014:

- 2014 – 2% (1% paid by churches / 1% paid from pension reserves)
- 2015 – 3% (1% paid by churches / 2% paid from pension reserves)
- 2016 – 3% (1% paid by churches / 2% paid from pension reserves)
- 2017 – 2% (1% paid by churches / 1% paid from pension reserves)
- 2018 – 3% (1% paid by churches / 2% paid from pension reserves)
- 2019 – 3% (1% paid by churches / 2% paid from pension reserves)
- 2020 – 3% (1% paid by churches / 2% paid from pension reserves)
- 2021 – 3% (1% paid by churches / 2% paid from pension reserves)
- 2022 – 3% (1% paid by churches / 2% paid from pension reserves)
- 2023 – 3% (1% paid by churches / 2% paid from pension reserves)
- 2024 – 3% (1% paid by churches / 2% paid from pension reserves)

In addition to the UMPIP non-matching contribution, there is a matching contribution feature within the Clergy Retirement Security Plan (CRSP). Clergy personal contributions to UMPIP are matched in an equal amount up to a maximum of 1% of plan compensation. The matching contribution is paid from the pension reserves and is deposited in the participant’s CRSP DC account. In summary, a clergy participant making a 1% personal contribution to UMPIP would accumulate church and pension reserve-paid contributions in 2023 and 2024 as follows:

2023 - 2024		
Contribution	%	Source of Funding
CRSP DC	2.0%	Church
CRSP DC match	1.0%	Reserve
UMPIP non-matching	3.0%	Church 1% / Reserve 2%
Total	6.0%	

The UMPIP non-matching contribution is unique to the Texas Conference. No other conference within the denomination offers such a pension benefit.

**2. Retiree Medical HRA Contributions**

Contributions to retiree participant HRAs continue to be funded by investment earnings in the Retiree Medical Fund.

### 3. Comprehensive Funding Plan

Beginning in 2013, annual conferences are required to submit a Comprehensive Funding Plan to Wespath. A Comprehensive Funding Plan is a formal plan that describes how a conference will pay for benefit programs, including those obligations that are dependent on the conference continuing its current benefit programs. The intent of the funding plan is to align benefit design expectations with Conference funding patterns. The plan to be submitted in 2023 will address benefit obligations for plan year 2024.

The development of a Comprehensive Funding Plan stems from the necessity to determine financial viability at the denominational level where benefit plan liabilities are concerned. Long-term financial obligations for the Church were discussed by the Council of Bishops, attendees of the Financial Leadership Forum, and the Sustainability Advisory Board. Wespath has been tasked with compiling conference information regarding funding for long-term obligations for clergy and staff across the denomination.

The timeline requires each conference to obtain a favorable opinion letter from Wespath and approval from its respective Annual Conference ahead of the plan's effective date (i.e., 1-1-24). As of the date of the Board of Pensions 2023 Pre-Conference Journal Report, the Comprehensive Funding Plan for the Texas Conference is presently in draft status. The Comprehensive Funding Plan for the Texas Conference will be submitted to Wespath prior to May 1, 2023. The expectation is the receipt of a favorable opinion letter from Wespath and will be included in the 2023 Annual Conference journal.

### **Section XI. Review of Pension Reserve, Group Health Reserve and Retiree Medical Reserve**

The Texas Annual Conference, UMC, benefits reserves are comprised of three separate reserve pools: (1) Pension Reserve; (2) Group Health Reserve; and (3) Retiree Medical Reserve. The benefits reserves exist to fund, as needed, plan costs related to pension, active medical and retiree medical programs as sponsored by the Texas Annual Conference. The benefit reserves are distinct from the Conference reserves disclosed within the fiscal operations of the Texas Annual Conference. Any use of the reserves, that deviate from costs related to Conference sponsored benefit programs must be approved by CF&A and subsequently the entire body of the Texas Annual Conference.

The market value of the reserves, as of 12-31-22, were as follows:

- Pension Reserve                      \$ 39.262M
  - Group Health Reserve                      \$ 9.863M
  - Retiree Medical Reserve                      \$ 2.509M \*
- \* Reflects Retiree Medical Plan funded status as of 12/31/2022*

Included in the Board of Pensions Report to Annual Conference 2023 is the review of the Pension Reserve updated for actual 2022 experience. Included in this review is an overview of the resolutions relating to the administration and use of reserve funds. The standing resolutions are as follows:

WHEREAS, the 2007 resolution provided for a review of the "Pension Reserve" to be reported to Annual Conference in 2012,

WHEREAS, the Quadrennial review process determined a need to clarify the purposes and oversight of the "Pension Reserve" for future generations,

THEREFORE, BE IT RESOLVED:

That the "Pension Reserve" be administered by the Board of Pensions including the approval of any use of funds.

That the "Pension Reserve" be used as the account whereby "excess" pension funds (pension receipts *less* pension disbursements) are invested.

That the "Pension Reserve" be used to provide the following:

- Funding to meet increased costs of any defined benefit pension plan due to unfunded liabilities.
- Funding to meet the costs of retiree benefit obligations.
- Funding for pension related initiatives as approved annually by the Annual Conference.
- Funding to meet the costs of Conference Benefits Administration with the amount to be approved annually by the Annual Conference. \*
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*\* Effective June 1, 2010, Conference Benefits Administration was approved to be funded via the Pension Reserve. This change was made to allow better utilization of current reserves and prevent future cost increases being passed on to the local congregations.*

**TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH**  
**COMBINED VIEW OF BENEFITS RESERVES**  
*Actual 2019 - 2022 / Forecast 2023 - 2024*

<b>BOARD OF PENSIONS</b>	Actual				Forecast	
	2019	2020	2021	2022	2023	2024
Net assets available for plan benefits (BOY)	\$ 46,644,795	\$ 39,441,835	\$ 46,220,719	\$ 49,469,184	\$ 39,262,483	\$ 38,963,959
- Receipts	6,468,353	6,558,879	5,821,925	6,107,273	3,572,400	3,575,600
- Disbursements	(6,690,344)	(7,489,809)	(7,710,172)	(7,803,223)	(5,834,048)	(5,900,458)
Operating Income	(221,991)	(930,930)	(1,888,247)	(1,695,950)	(2,261,648)	(2,324,858)
- Investment income	10,459,973	7,959,814	4,886,712	(8,510,751)	1,963,124	1,948,198
- Transfer of funds	(17,440,942)	(250,000)	250,000	-	-	-
Net assets available for plan benefits (EOY)	\$ 39,441,835	\$ 46,220,719	\$ 49,469,184	\$ <b>39,262,483</b>	\$ 38,963,959	\$ 38,587,299
Increase / (decrease) in reserve	\$ -	\$ 6,778,884	\$ 3,248,465	\$ (10,206,701)	\$ (298,524)	\$ (376,660)

<b>GROUP HEALTH BENEFITS</b>	Actual				Forecast	
	2019	2020	2021	2022	2023	2024
Net assets available for plan benefits (BOY)	\$ 16,895,597	\$ 17,946,360	\$ 16,527,806	\$ 15,180,390	\$ 9,863,060	\$ 9,484,976
- Receipts	10,261,917	10,280,923	10,595,479	11,141,518	6,676,921	7,771,003
- Disbursements	(14,700,101)	(14,436,204)	(13,306,694)	(13,788,968)	(8,029,135)	(8,260,585)
Operating Income	(4,438,184)	(4,155,281)	(2,711,215)	(2,647,450)	(1,352,214)	(489,582)
- Investment income	3,697,219	2,564,868	1,542,579	(2,695,406)	424,250	359,750
- Transfer of funds	1,085,940	250,000	(250,000)	-	-	-
- IBNR reserve accrual	705,788	(78,141)	71,220	25,526	549,880	(24,260)
Net assets available for plan benefits (EOY)	\$ 17,946,360	\$ 16,527,806	\$ 15,180,390	\$ <b>9,863,060</b>	\$ 9,484,976	\$ 9,330,884
Increase / (decrease) in reserve	\$ -	\$ (1,418,554)	\$ (1,347,416)	\$ (5,317,330)	\$ (378,084)	\$ (154,092)

<b>RETIREE MEDICAL</b>	Actual				Forecast	
	2019	2020	2021	2022	2023	2024
Postretirement Medical Liability (BOY)	\$ (19,064,700)	\$ (20,661,800)	\$ (22,307,600)	\$ (20,104,500)	\$ (19,308,200)	\$ (18,511,900)
Postretirement (Expense) / Income	2,155,100	1,940,300	1,792,300	1,499,100	1,499,100	1,499,100
Adjustment for AOCI Position	(1,761,600)	(1,323,500)	(886,500)	(702,800)	(702,800)	(702,800)
Adjustment for Year-end Actuarial Valuation	(1,990,600)	(2,262,600)	1,297,300	-	-	-
Postretirement Medical Liability (EOY)	\$ (20,661,800)	\$ (22,307,600)	\$ (20,104,500)	\$ (19,308,200)	\$ (18,511,900)	\$ (17,715,600)
Retiree Medical Reserve (BOY)	\$ 2,880,048	\$ 20,590,441	\$ 24,987,075	\$ 27,918,967	\$ 21,816,715	\$ 21,828,151
Transfer of funds from Pension	16,355,002	-	-	-	-	-
Return on Assets	1,355,391	5,386,634	3,931,892	(5,037,561)	1,090,836	1,091,408
Benefits Paid	-	(990,000)	(1,000,000)	(1,064,691)	(1,079,400)	(1,079,400)
Retiree Medical Reserve (EOY)	\$ 20,590,441	\$ 24,987,075	\$ 27,918,967	\$ 21,816,715	\$ 21,828,151	\$ 21,840,159
Retiree Medical Plan Surplus / (Deficit)	\$ (71,359)	\$ 2,679,475	\$ 7,814,467	\$ <b>2,508,515</b>	\$ 3,316,251	\$ 4,124,559

<b>TOTAL RESERVE POSITION</b>						
(Pension + Active Medical + Retiree Medical)	\$ 57,316,836	\$ 65,428,000	\$ 72,464,041	\$ <b>51,634,058</b>	\$ 51,765,186	\$ 52,042,742

The Board of Pensions is authorized, once their respective reports are accepted by Annual Conference, to spend up to the total amount budgeted as an expense in the approved budget and a portion of their reserve to cover any operational shortfall until Annual Conference approves a revised budget for that year. Any increases in the amount billed to salary paying units by the Board of Pensions committee will only be changed with Annual Conference approval.

## Addendums to Report

<u>Addendum A</u>	Change in Net Assets Available for Plan Benefits 2021 - 2024
<u>Addendum B</u>	2022 Board of Pensions Statement of Net Assets Available for Plan Benefits
<u>Addendum C</u>	2022 Board of Pensions Actual Performance vs. Budget
<u>Addendum D</u>	2023 Board of Pensions Budget
<u>Addendum E</u>	2024 Board of Pensions Forecast

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Thanks and recognition are given to the following individuals: **Rev. Robert Besser**, Conference Benefits Officer; **Mark Hellums**, Controller, Texas Annual Conference; **Barbara Kilby**, Manager, Group Health Benefits and Pensions / HIPAA Privacy Officer; **Ginger Neely**, Administrative Assistant; **Patricia Goforth-Rakes**, Senior Pensions and Retiree Health Benefits Specialist; and **Marianela Morales**, Group Health Benefits Specialist; for providing outstanding dedication and skillful application of their talents in this difficult and changing field. Also, thanks to each of the Board of Pensions Committee members for their work in crafting the solutions we have identified to date and enduring long and challenging committee meetings.

### Addendum A

## TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH BOARD OF PENSIONS

PROJECTED Changes in Net Assets Available for Plan Benefits

2021 - 2024

*Assumes reduction in population due to disaffiliation (as of 1-1-23)*

	Actual		Forecast	
	2021	2022	2023	2024
<i>Assumes 5.00% return on investments in 2023 and 2024.</i>				
Beginning Reserve Fund	\$ 46,220,719	\$ 49,469,184	\$ 39,262,483	\$ 38,963,959
<u>Receipts</u>				
- CRSP billing receipts	5,747,204	6,046,883	3,512,400	3,515,600
- Oil & gas royalties and other receipts	74,721	60,390	60,000	60,000
Total Receipts	5,821,925	6,107,273	3,572,400	3,575,600
<u>(Expenses)</u>				
- Retirement plans	(6,692,134)	(6,671,065)	(4,684,812)	(4,751,045)
- Insurance and sustention	(352,803)	(361,417)	(233,699)	(233,875)
- Administration expense	(656,486)	(741,178)	(890,088)	(890,088)
- Other	(8,749)	(29,563)	(25,450)	(25,450)
Total Expense	(7,710,172)	(7,803,223)	(5,834,048)	(5,900,458)
Operating Income Over Expense	(1,888,247)	(1,695,950)	(2,261,648)	(2,324,858)
Transfer of funds to GHB	250,000	-	-	-
Investment income (loss)	4,886,712	(8,510,751)	1,963,124	1,948,198
Ending Reserve Fund	\$ 49,469,184	\$ 39,262,483	\$ 38,963,959	\$ 38,587,299

*Addendum B*

**TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH  
BOARD OF PENSIONS**

Statements of Net Assets Available for Plan Benefits  
December 31, 2022

	Actual December 2022		Actual 2021
<b>Assets</b>			
Cash and cash equivalents	\$ 1,120,016	a/	\$ 895,210
Apportionment Receivable	-		-
Investments:			
Deposit Account	376,471		180,131
Superannuate Endowment	134,095		160,844
Corpus-Retirement Endowment	8,400,154		12,122,500
Pension Reserve	29,422,534		36,274,881
Total Assets	39,453,270		49,633,566
<b>Liabilities</b>			
Accounts payable - other	190,787	b/	164,382
Accounts payable - DB contributions to Wespath	-		-
Total Liabilities	190,787		164,382
<b>Net Assets Available for Plan Benefits</b>			
General reserves	30,728,234		37,185,840
Permanent endowment funds	8,534,249		12,283,344
	Total net assets available for plan benefits		\$ 49,469,184
	\$ (10,206,701)		

a/ *Bank Account Reconciliation 12-31-22*

Disclosed Pension Operating Cash Account	\$ 1,120,016.12
+ Outstanding checks	83.95
= Actual Bank Statement balance	\$ 1,120,100.07

b/ Liability represents the following:

- (1) December sustentation contribution of \$26,499 funded in January 2023.
- (2) Q4 2022 Pension and GHB departmental administration expense (salary and benefit expense) in the amount of \$164,288. Payment to be made in January 2023.

*Addendum C*

**TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH  
BOARD OF PENSIONS**

Statements of Changes in Net Assets Available for Plan Benefits  
For the 12-month YTD period ending December 2022

	Actual YTD <u>December 2022</u>	Budget YTD <u>December 2022</u>	Actual B / (W) Budget
<b>Operating Income</b>			
CRSP receipts	\$ 6,046,883	\$ 6,196,936	\$ (150,053)
Royalties / Donor Distributions	<u>60,390</u>	<u>64,000</u>	<u>(3,610)</u>
Total income	6,107,273	6,260,936	(153,663)
<b>Operating expenses</b>			
Retirement benefits funded	6,671,065 a/	6,915,440	244,375
Retiree Life Insurance (UNUM)	38,475	41,500	3,025
County Taxes	-	450	450
Administrative expense	741,178	695,000	(46,178)
Program expense	29,563	20,000	(9,563)
Sustentation funding	<u>322,942</u>	<u>341,743</u>	<u>18,801</u>
Total expenses	7,803,223	8,014,133	210,910
Operating income over expense	(1,695,950)	(1,753,197)	57,247
<b>Investment income (loss):</b>			
Investment income on reserves	(6,261,655)	1,822,751	(8,084,406)
Investment income on permanent endowment	<u>(2,249,096)</u>	<u>614,167</u>	<u>(2,863,263)</u>
Net investment income (loss)	(8,510,751) b/	2,436,918	(10,947,669)
<b>Transfer from / (to) Group Health Benefits</b>	-	-	-
Beginning Reserve Fund	49,469,184	49,469,184	
Change in Reserve Fund	<u>(10,206,701)</u>	<u>683,721</u>	<u>(10,890,422)</u>
<b>Ending Reserve Fund</b>	<u>\$ 39,262,483</u>	<u>\$ 50,152,905</u>	<u>\$ (10,890,422)</u>

a/ In addition to the DC, DC Match, CPP and UMPIP payments made through December 2022, twelve months of DB expense (based on the 202 funding commitment of \$2.906M to Wespath) is included in the retirement benefits funded expense total.

b/ Pension investments produced YTD return of approximately -17.46% thus producing a loss (decline in reserves) of (\$8.512M) through December 2022 YTD. The -17.46% is based on a culmination of the 12-month return (as reported by each manager) / divided by the aggregate portfolio market value as of 1-1-22. The return does not constitute a “true” weighted average return for the year.



*Addendum D*

**TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH  
BOARD OF PENSIONS**

Statements of Changes in Net Assets Available for Plan Benefits  
2023 Budget

	2023 Budget	<i>Comments:</i>
<b>Operating Income a/</b>		
CRSP receipts		
- DB	\$ 1,756,200	13.6% of CAC in 2023 - \$25.826M (279.00 FTE x \$92,568)
- DC	516,529	
- UMPIP	258,265	
- CPP	723,141	
- Reserve Fund	64,566	
- Sustentation Fund	193,699	
TOTAL CRSP	3,512,400	
Royalties received	60,000	
TOTAL INCOME	\$ 3,572,400	
<b>Operating expenses</b>		
Retirement benefits funded		
- DB b/	\$ 2,412,082	CRSP-DB funding
- DC	516,529	2.0% of CAC in 2023
- DC Match	258,265	1.0% of CAC in 2023
- UMPIP	774,794	3.0% of CAC in 2023
- CPP	723,141	2.8% of CAC in 2023
TOTAL BENEFITS FUNDED	\$ 4,684,812	
UNUM	\$ 40,000	
County Taxes	450	
Administration Expense c/	890,088	
Program Costs - Retiree Initiatives d/	25,000	
Sustentation Fund	193,699	0.75% of CAC in 2023
TOTAL EXPENSE	\$ 5,834,048	
Operating Income Over Expense	(2,261,648)	
<b>Investment income (loss):</b>	1,963,124	Projected 5.0% return on \$39.262M
<b>Transfer from / (to) Group Health Benefits</b>	-	
Beginning Reserve Fund	\$ 39,262,483	
Change in Reserve Fund	(298,524)	
<b>Ending Reserve Fund</b>	\$ 38,963,959	

2023 Forecast Details

- a/ Based on FTE of 279.00 and CAC of \$92,568 for 2023. Assumes collection percentage of 13.6% in 2023. The components are comprised as follows:
- DB 6.8%
  - DC 2.0%
  - UMPIP 1.0%
  - CPP 2.8%
  - Reserve Fund 0.25%
  - Sustentation Fund 0.75%
- b/ Comprised of the following funding commitments for DB plans:
- CRSP DB contribution of \$2,412,082
  - Pre-82 DB contribution of \$0
- c/ Includes the following expenses: Salary and benefit expense for Pension and Group Health Benefits administration; travel and conference related expenses; Blackbaud G/L, A/R and A/P financial reporting modules; legal fees; auditor fees; actuarial services fees; office supplies; copy services; and mailing costs.
- d/ Costs for sponsoring clergy training in retirement and AC events for retirees.

*Addendum E*

**TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH**  
**BOARD OF PENSIONS**  
 Statements of Changes in Net Assets Available for Plan Benefits  
 2024 Forecast

	2024 Forecast	<i>Comments:</i>
<b>Operating Income a/</b>		
CRSP receipts		
- DB	\$ 1,757,800	13.6% of CAC in 2024 - \$25.850M (275.00 FTE x \$94,000)
- DC	517,000	
- UMPIP	258,500	
- CPP	723,800	
- Reserve Fund	64,625	
- Sustentation Fund	193,875	
TOTAL CRSP	3,515,600	
Royalties received	60,000	
TOTAL INCOME	\$ 3,575,600	
<b>Operating expenses</b>		
Retirement benefits funded		
- DB b/	\$ 2,476,245	CRSP-DB funding
- DC	517,000	2.0% of CAC in 2023
- DC Match	258,500	1.0% of CAC in 2023
- UMPIP	775,500	3.0% of CAC in 2023
- CPP	723,800	2.8% of CAC in 2023
TOTAL BENEFITS FUNDED	\$ 4,751,045	
UNUM	\$ 40,000	
County Taxes	450	
Administration Expense b/	890,088	
Program Costs - Retiree Initiatives c/	25,000	
Sustentation Fund	193,875	0.75% of CAC in 2024
TOTAL EXPENSE	\$ 5,900,458	
Operating Income Over Expense	(2,324,858)	
<b>Investment income (loss):</b>	1,948,198	Projected 5.0% return on \$38.964M
<b>Transfer from / (to) Group Health Benefits e/</b>	-	

Beginning Reserve Fund	\$ 38,963,959
Change in Reserve Fund	(376,660)
<b>Ending Reserve Fund</b>	\$ 38,587,299

2024 Forecast Details

- a/ Based on FTE of 275.00 and CAC of \$94,000 for 2024. Assumes collection percentage of 13.6% in 2024. The components are comprised as follows:
- DB 6.8%
  - DC 2.0%
  - UMPIP 1.0%
  - CPP 2.8%
  - Reserve Fund 0.25%
  - Sustentation Fund 0.75%
- b/ Includes the following expenses: Salary and benefit expense for Pension and Group Health Benefits administration; travel and conference related expenses; Blackbaud G/L, A/R and A/P financial reporting modules; legal fees; auditor fees; actuarial services fees; office supplies; copy services; FedEx costs and wireless access fees.
- c/ Costs for sponsoring clergy training in retirement and AC events for retirees.

<p>Group Health Benefits Rev. Seann Duffin, Chair Rev. Robert Besser, Treasurer</p>
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This report is divided into the following sections:

1. Review of 2022 Results
  - A. Financial Results for Active Group Health
  - B. Financial Results for Retiree Medical Plan
2. 2023 Updates
  - A. Eliminate Group Health Apportionment by 2024
  - B. Increase in Church Contribution Rates to Offset Loss of Apportionment Funding
  - C. Post-Retirement Medical Liability and Future Funding Requirements
  - D. Retiree Medical Subsidy Funding in 2023
  - E. Health Care Reform Reporting and Legislative Changes
  - F. Wellness Program
  - G. 2023 Open Enrollment Changes
  - H. Effective 1/1/2024, Marriage and Family Counseling Added as a Covered Benefit under both TAC Medical Plans – 1/1/2024 Termination of the Supplemental Counseling Benefit
  - I. Effective 1/1/2024, Hearing Aids Added as a Covered Benefit under both TAC Medical Plans – 1/1/2024 Termination of the Hearing Aid Out-of-Pocket Reimbursement Benefit
3. Operating Deficits & Continual Decline in Active Medical Reserves
  - A. Actual Performance 2013 – 2022
  - B. Actual Plan Receipts and Plan Disbursements 2013 – 2022
  - C. Actual Plan Reserve Levels 2013 – 2022
  - D. Projected Performance 2023 – 2025
4. Recommended Changes to the Active Group Health Plan
  - A. Group Health Plan to Remain Self-insured for 2024
  - B. Close Operating Deficits by Increasing Plan Receipts
5. Revised Billing Rates, Average Paid Premiums and Participant Share of Costs
  - A. Billing Rates and Average Paid Premiums 2023 vs. 2024
  - B. Change in Participant-paid Portion of Costs
6. Active Medical Plan Forecast
- 7.
8. Future Active GHB Plan Considerations
- 9.
10. Retiree Medical Plan Forecast
- 11.
12. Eligible Active GHB Participant Settlement Payout In lieu of Retiree Medical Subsidy Benefit (TAC GHB Retiree Health Benefits Policy 130)

### 13. Summary of Active Group Health Plan Status and Forthcoming Changes

### 14. Items Requiring a Vote

- A. Marriage and Family Counseling Added as a Covered Benefit under both TAC Medical Plans
- B. Hearing Aids to be Included as a Covered Benefit under both TAC Medical Plans
- C. Increase Plan Receipts via Billing Rate Adjustments
- D. Eligible Active GHB Participant Settlement Payout In lieu of Retiree Medical Subsidy Benefit

Addendum A - 2023 Budget for Active Medical Plan Benefits

Addendum B - 2024 Forecast for Active Medical Plan Benefits

Addendum C - 2025 Forecast for Active Medical Plan Benefits

Addendum D – 2024 Billing Rates

## 1. Review of 2022 Results

### A. Financial Results for Active Group Health

During 2022, the Group Health Benefit Plan's operating deficit was \$2.6 million compared to a deficit of \$2.7 million in 2021. Over the 4-year period 2019 to 2022, Plan expenses have exceeded receipts by \$12.9 million. Investment income, over the same 4-year period, has been positive thus offsetting \$5.1 million of the \$12.9 million in net expenses.

In 2022, Plan expenses were \$14.9 million up from \$14.3 million in 2021 primarily due to higher prescription drug claims costs. However, a full year's worth of pharmacy rebates, received in 2022, exceeded the higher drug claims cost. The result was a slight overall decline in net expenses for the year. Investment returns in 2022 were -18.1% which resulted in a loss of \$2.7 million. The operating deficit of \$2.6 million, coupled with the investment loss of \$2.7 million, produced the year over year decline in the reserve position of \$5.3 million. As of December 31, 2022, reserves available for Active Group Health was \$9.9 million down from \$15.2 million as of December 31, 2021.

<i>ACTIVE MEDICAL</i>				
	Actual			
	2019	2020	2021	2022
Beginning Reserve Fund	\$ 16,895,597	\$ 17,946,360	\$ 16,527,806	\$ 15,180,389
<u>Receipts</u>				
- Church contributions	4,008,106	3,798,725	4,632,509	4,678,820
- Participant contributions	3,752,995	3,650,696	3,952,753	3,990,188
- Early retiree contributions	242,237	270,780	280,336	252,125
- Apportionment	1,857,173	1,865,324	1,339,814	1,037,054
- Stop loss and refunds	401,406	695,398	390,066	1,183,331
Total Receipts	10,261,917	10,280,923	10,595,478	11,141,518
<u>(Expenses)</u>				
- Active medical and prescription drug (claims + admin)	(12,992,611)	(13,656,216)	(12,789,298)	(13,270,721)
- Retiree HRA benefits paid	(966,154)	(1,024,789)	(1,040,445)	(1,064,691)
- Dental and vision	(297,755)	(330,144)	(267,156)	(307,955)
- Wellness and disease management	(373,804)	(385,620)	(187,680)	(152,889)
- Mental health	(45,409)	(18,616)	(17,184)	(17,184)
- Health care reform/ CMS	(4,412)	(4,555)	(4,668)	(4,782)
- Other programs / costs	(19,956)	(6,264)	(263)	(35,437)
Total Expense	(14,700,101)	(15,426,204)	(14,306,694)	(14,853,659)
Transfer from Pension / Retiree Medical Fund for HRA Funding (end of fiscal year transfer)	1,085,940	990,000	1,000,000	1,064,691
Operating income over expense	(3,352,244)	(4,155,281)	(2,711,216)	(2,647,450)
Transfer of funds from Pension (b)	-	250,000	(250,000)	-
Investment income (loss)	3,697,219	2,564,868	1,542,579	(2,695,406)
IBNR reserve accrual	705,788	(78,141)	71,220	25,526
Ending Reserve Fund	\$ 17,946,360	\$ 16,527,806	\$ 15,180,389	\$ 9,863,059
Increase / (Decrease) in Reserve	1,050,763	\$ (1,418,554)	\$ (1,347,417)	\$ (5,317,330)
<i>(a) Reflects short term cash need for GHB at close of 2020; Refunded to Pension in January 2021.</i>				

## B. Financial Results for the Retiree Medical Plan

The Retiree Medical Plan at the close of 2022 was in a surplus position of \$2.5 million. During the year, negative investment performance eroded the Plan's funded status. Investment returns for the year were -18.0% thus producing losses of \$5.038 million. As a result, the funded ratio fell to 113% in 2022. At the close of 2022, \$1.065 million was withdrawn from the Retiree Medical Reserve to fund retiree HRA accounts.

<i>RETIREE MEDICAL</i>				
	Actual			
	2019	2020	2021	2022
Postretirement Medical Liability (BOY)	\$ (19,064,700)	\$ (20,661,800)	\$ (22,307,600)	\$ (20,104,500)
Postretirement (Expense) / Income	2,155,100	1,940,300	1,792,300	1,499,100
Adjustment for AOCI Position	(1,761,600)	(1,323,500)	(886,500)	(702,800)
Adjustment for Year-end Actuarial Valuation	(1,990,600)	(2,262,600)	1,297,300	-
Postretirement Medical Liability (EOY)	\$ (20,661,800)	\$ (22,307,600)	\$ (20,104,500)	\$ (19,308,200)
Retiree Medical Reserve (BOY)	\$ 2,880,048	\$ 20,590,441	\$ 24,987,075	\$ 27,918,967
Transfer of funds from Pension (a)	16,355,002	-	-	-
Return on Assets	1,355,391	5,386,634	3,931,892	(5,037,561)
Retiree Medical Reserve (EOY)	\$ 20,590,441	\$ 25,977,075	\$ 28,918,967	\$ 22,881,406
Transfer to Group Health Reserve for HRA Funding (to be made at year-end)	-	(990,000)	(1,000,000)	(1,064,691)
Retiree Medical Plan Surplus / (Deficit)	\$ (71,359)	\$ 2,679,475	\$ 7,814,467	\$ 2,508,515
% of Liability Funded	99.7%	112.0%	138.9%	113.0%
(a) Transfer of Funds from Board of Pensions includes \$15M to fully fund the Retiree Medical Liability at close of 2019.				

## **2. 2023 Updates**

### A. Eliminate Group Health Apportionment by 2024

In 2020, approval was granted to eliminate Group Health apportionment receipts over a four-year period beginning in 2021. Outlined below, is the approved scheduled reduction in apportionment receipts whereby zero is reached in 2024:

- 2021 \$1,568,000
- 2022 \$1,068,000
- 2023 \$ 568,000
- 2024 \$ 0

In 2023 and 2024, the budget for Group Health apportionment receipts will be \$568,000 and \$0 respectively. The intent of the elimination of the Group Health apportionment funding is to fund 100% of monthly group health contributions through the existing monthly group health draft process (i.e., the existing Electronic Funds Transfer [EFT] presently used for monthly group health contributions). Beginning in 2024, church apportionment payments will no longer be used to fund the Group Health plan. Since historically Group Health apportionments have been assessed to all churches, including those with clergy who are not eligible to participate in the Group Health plan, eliminating the Group Health apportionment and moving to a 100% EFT process over a four-year period will ensure that only churches and clergy participating in the Group Health plan will be paying for those benefits.

Following is the historical record of Group Health apportionment receipts since 2005. Actual and budgeted receipts are shown along with the percent of budgeted collected for the given year:

Group Health Apportionment			
Year	Budget	Actual	Collected
	\$ in millions	\$ in millions	%
2005	3.705	3.592	97.0%
2006	3.717	3.643	98.0%
2007	3.721	3.471	93.3%
2008	3.645	3.382	92.8%
2009	3.503	3.473	99.1%
2010	3.630	3.368	92.8%
2011	3.650	3.410	93.4%
2012	3.614	3.366	93.1%
2013	3.368	3.278	97.3%
2014	3.368	3.252	96.5%
2015	3.368	3.178	94.4%
2016	2.568	2.583	100.6%
2017	2.568	2.329	90.7%
2018	2.568	2.301	89.6%
2019	2.068	1.857	89.8%
2020	2.068	1.865	90.2%
2021	1.568	1.340	85.4%
2022	1.068	1.037	97.1%
2023	0.568	TBD	TBD
2024	-	-	-

The Group Health Plan has been funded through four sources of receipts: church contributions, participant contributions, apportionment collections and investment returns. The elimination of apportionment receipts, as a component of Group Health Plan funding, removed a significant funding component of the Plan. To offset the annual losses of funding, the church contribution was increased effective January 1, 2021.

#### B. Increase in Church Contribution Rates Offset Loss of Apportionment Funding

The stair-stepped increase in the church contribution rate was enacted in 2021. In 2023 the church contribution rate is 11.20%. In 2024, the church contribution rate will increase to 12.50%. The impact stemming from the church contribution rates have been incorporated into the forecast for the years 2023 through 2024. The gradual increase in the rate was designed to offset the 4-year reduction in church apportionments. The change in the church contribution rates has been implemented as follows to correspond with the elimination of apportionment receipts from future Group Health Plan funding:

Plan Year	Apportionment Budget	Church Contribution Rate
2021	\$ 1,568,000	9.80%
2022	\$ 1,068,000	9.80%
2023	\$ 568,000	11.20%
2024	\$ 0	12.50%

#### C. Post-Retirement Medical Liability and Future Funding Requirements

As of December 31, 2022, the estimated TAC Post-Retirement Medical Liability was \$19,308,200. This liability will be recalculated as of January 1, 2023, by external actuaries and will be provided to Annual Conference attendees. The estimated completion date for the next actuarial valuation is March 2023.

As addressed in Section 1.B., the funded ratio of the Postretirement Medical Liability is 113.0%. If the funded status for the Retiree Medical Plan remains in a surplus position, there will be no funding requirement on a go-forward basis.

#### D. Retiree Medical Subsidy Funding in 2023

Since 2020, the Retiree Medical Reserve has been used to fund all future Health Reimbursement Arrangement (HRA) contributions to retiree participant accounts. The intent is for the reserve balance to be maintained at a level whereby investment returns are ample in meeting the annual contributions made to retiree HRA accounts.

The flat rate contribution of \$190/month (\$2,280/year) per eligible Medicare primary participant (or the scheduled amount based on years of service for first TAC appointment on or after July 1, 2005) remains unchanged in 2023. The 2023 Retiree Medical Subsidy is estimated to be \$1,073,880. An estimated incremental \$5,520 will be paid to clergy who retired prior to 1992 (or to surviving spouses of retirees who retired prior to 1992). In total, the Retiree Medical Fund is expected to distribute \$1,079,400 to retiree participant HRA accounts in 2023.

#### E. Health Care Reform Reporting & Legislative Changes

The Center for Connectional Resources distributed form 1095B to all participants of the self-funded plan in February 2023 as required under ACA regulations.



#### F. Wellness Program

The Group Health Benefits Committee encourages all participants to take advantage of the TAC GHB Wellness Program. Participants can reduce their cost for the Group Health Benefits plan by earning cash incentives (up to \$300 annually in the Walking Program, up to \$1,000 for losing the weight to reach a BMI of 25 or less, and \$1,000 annually for maintaining a BMI of 25 or less). The Group Health Plan paid out Wellness and (or) Virgin Pulse walking incentives totaling \$152,889 in 2022.

#### G. 2023 Open Enrollment Changes

##### ***Overview of the TAC Group Health Plan for 2023***

##### **All plan changes are effective 1/1/2023**

Go to [www.txcumc.org](http://www.txcumc.org) > Clergy > Benefits > **2023 Open Enrollment** for additional information.

There are *no changes to deductibles or out-of-pocket maximum expense limits* for either the Standard PPO or High Deductible PPO Plans for 2023.

*All deductibles and out-of-pocket maximum expense limits are effective January 1 each year.*

	<b>Standard PPO Plan</b>	<b>High Deductible PPO Plan</b>
Individual Deductible	\$1,000 Medical deductible	\$1,850 Combined Medical and Prescription drug deductible
Family Maximum Deductible	\$3,000 Per Family	\$3,700 Per Family
Prescription Drug Deductible	\$50 Individual/\$100 Family*	Must satisfy \$1,850 or \$3,700 combined deductible before any prescription drug benefits**
Medical Out-of-Pocket Maximum (Includes medical deductibles, co-payments, and co-insurance)	\$4,500 Individual In-Network \$10,00 Family In-Network \$50,000 Individual Out-of-Network (applies only to medical expenses)	\$4,500 Individual In-Network \$10,000 Family In-Network \$50,000 Individual Out-of-Network (applies to medical and prescription drug expenses)
Prescription Drug Out-of-Pocket Maximum (Includes prescription drug deductibles, co-payments, and co-insurance)	\$2,000 Individual \$4,000 Family (applies only to prescription drug expenses)	High deductible plan combines medical and prescription drug out-of-pocket expenses
Houston Methodist Hospital Write-Off of Deductibles and Co-Insurance	Yes	No

Eligible to open Health Savings Account (HSA)	No	Yes***
Office Visit Co-Pay (In-network Only)	\$30 Primary Care (PCP) \$40 Specialist	None – Benefits are subject to deductible and then paid at 80% in-network or 60% of maximum allowable charge out-of-network
Teladoc®	\$0 Co-Pay	\$55/visit until deductible is met; then 20% co-insurance

\*Under the Standard PPO Plan, certain **generic** prescriptions for the treatment of **asthma, high blood pressure, high cholesterol, diabetes, and proton pump inhibitors** are available at no charge.

\*\*Under the High Deductible PPO Plan, certain **generic preventive** prescriptions for the treatment of **asthma, high blood pressure, high cholesterol, and diabetes** are available at no charge.

\*\*\*Enrolling in the High Deductible PPO Plan allows you to set up a tax-advantaged Health Savings Account. Please see additional information below.

### **Benefit Changes**

There are *no benefit changes* for either the Standard PPO or High Deductible PPO Plans for 2023.

### **Wellness Program**

There are no changes to Wellness Program Benefits for 2023. Wellness Program Incentives remain as follows:

<b>2023 Weight Loss Incentives</b>	<b>Amount</b>
5% of weight at the Day of Wellness	\$200
10% of weight at the Day of Wellness	\$200
100% of weight to reach a BMI of 25 or less	\$600
Total Weight Loss Incentives	\$1,000
<b>Pregnancy Weight Loss Incentive</b>	\$1,000
<b>Annual Maintenance Incentive</b>	\$1,000

### **Walking Program**

There are no changes to Virgin Pulse Walking Program Benefits for 2023. Walking Program Incentives remain as follows:

<b>Points Reached</b>	<b>Incentive Earned</b>	<b>Cumulative Total per Quarter</b>
1,000	\$5	\$5
5,000	\$15	\$20
10,000	\$25	\$45
15,000	\$30	\$75

Visit the TAC website at <http://www.txcumc.org/wellnesswalkingprograms> for further information about the Wellness and Walking Programs.

**Wellness (Preventive Care) Benefits Covered at 100% for In-Network Providers only.**

As a reminder, effective January 1, 2021, wellness benefits under the Standard PPO and High Deductible PPO Plans are covered at 100% for in-network (PPO) providers only. Wellness benefits for out-of-network (non-PPO) providers will be subject to applicable deductibles and co-insurance.

**2023 Group Health Contribution Rates**

**Change in the 2023 Church Group Health Contribution Rate**

The Church Group Health Benefits contribution rate will increase from 9.8% in 2022 to 11.2% of the clergy's Total Group Health Benefits Compensation as specified on the clergy's salary sheet for 2023.

This increase in the Church Group Health Benefits contribution rate is being made to offset a further reduction in the Group Health Benefits (GHB) apportionment as part of a pre-approved 4-year plan to eliminate the total \$2M GHB apportionment by January 1, 2024, and replace it with 100% monthly direct billing (EFT). The GHB apportionment was reduced by \$500,000 in 2021 and \$1M in 2022 and will be reduced by \$1.5M in 2023 and \$2M in 2024 to a \$0 GHB apportionment as of 1/1/2024.

**No Change in 2023 Clergy Group Health Contribution Rates**

Clergy Group Health contribution rates will remain the same in 2023 as they were in 2022 for both the Standard PPO and the High Deductible PPO Plans as specified below. The following percentages are applied to the clergy's Total Group Health Benefits Compensation as specified on the clergy's salary sheet. The following Clergy rates are already uploaded into the Individual Summary Page in the 2023 salary sheet system:

<u>2023 Clergy Rates</u>	<u>Standard PPO Plan</u>	<u>High Deductible Plan</u>
Clergy Only	6.75%	4.65%
Clergy & Spouse	8.20%	5.90%
Clergy & Child(ren)	7.40%	5.45%
Clergy & Family	9.25%	6.65%

**No Change in 2023 Clergy Medical Leave Group Health Contribution Rates**

The TAC Sustentation Fund pays 60% of the direct billing rate for Group Health coverage for clergy appointed to Medical Leave. The clergy pays 40% as per the charts below. Medical Leave Group Health contribution rates will remain the same in 2023 as they were in 2022. The monthly Group Health contributions for **Clergy appointed to Medical Leave (on Boon-Chapman)** are as follows:

<u>2023 Clergy Rates</u>	<u>Standard PPO Plan</u>	<u>High Deductible Plan</u>
Clergy Only	\$256.00	\$180.00
Clergy & Spouse	\$526.00	\$368.00
Clergy & Child(ren)	\$362.00	\$254.00
Clergy & Family	\$592.00	\$414.00

The monthly Group Health contributions for ***Clergy appointed to Medical Leave (Medicare primary, Boon-Chapman secondary)*** are as follows:

<u>2023 Clergy Rates</u>	<u>Standard PPO Plan</u>	<u>High Deductible Plan</u>
Clergy Only	\$128.00	\$90.00
Clergy & Spouse	\$263.00	\$184.00
Clergy & Child(ren)	\$181.00	\$127.00
Clergy & Family	\$296.00	\$207.00

**No Change in 2023 TAC Fiscal Office Lay Employee Group Health Contribution Rates**

TAC Fiscal Office Lay Employee Group Health contribution rates will remain the same in 2023 as they were in 2022 for both the Standard PPO and the High Deductible PPO Plans as specified below:

<u>2023 Lay Employee Rates</u>	<u>Standard PPO Plan</u>	<u>High Deductible Plan</u>
Employee Only	\$ 0.00	\$ 0.00
Employee & Spouse	\$675.00	\$470.00
Employee & Child(ren)	\$265.00	\$185.00
Employee & Family	\$840.00	\$585.00

Note: The above amounts exclude the employer-paid portion of the monthly contribution which is \$640.00 for the Standard PPO Plan and \$450.00 for the High Deductible Health Plan.

**High Deductible PPO Plan and a Health Savings Account**

Enrollment in the High Deductible PPO Plan allows you to set up a tax-advantaged Health Savings Account (HSA) to help pay for eligible healthcare expenses today and down the road. Funds in the HSA account can be used to pay for your deductible and any eligible medical expense, even if the expense is not covered by the medical plan. Eligible dental and vision expenses may be reimbursed through an HSA account as well.

Your HSA contributions accumulate in your account, earning interest, until you need them. The funds contributed to the account are not subject to federal income tax, thus reducing your taxable income, and interest you earn on your HSA balance is tax-free. Unused HSA funds roll over from year-to-year, allowing your balance to grow over time.

An HSA is opened like a typical bank account at your preferred bank or financial institution. Another option is to use the online HSA Bank. Go to <https://ioe.hsabank.com/home> for further information. HSA Bank provides you with a debit card to use when paying for qualified healthcare expenses. You can deposit one lump sum for the year (up to the IRS contribution limit) or make smaller deposits throughout the year. Additional information can be found in the brochure in this packet.

*Note: You cannot be enrolled in Medicare or Tricare and make contributions to an HSA. Also, the Houston Methodist Hospital write-off of deductibles and co-insurance is not available to TAC High Deductible Health Plan participants due to HSA rules.*

## Optional Dental/Vision Plans

The Texas Annual Conference Group Health Benefits Plan will continue to offer optional **Dental PPO** and **Vision** Coverage through **Humana in 2023**:

Following are the eligibility requirements to enroll in optional dental and or vision coverage:

1. Employee must be a participant of the Group Health Benefits Plan of the Texas Annual Conference.  
*Eligible dependents do not have to participate in the medical plan to participate in the TAC Dental PPO and/or Vision plans.*
2. Your salary-paying unit (e.g., your local church) will be drafted for your optional dental/vision coverage along with your medical contributions each month.

There are no increases in the Humana Dental PPO rates or Humana Vision Plan rates for 2023:

<b>2023 Humana Dental / Vision Monthly Premiums</b>		
	<b>Dental PPO</b>	<b>Vision 130</b>
<b>Employee Only</b>	<b>\$29.29</b>	<b>\$7.28</b>
<b>Employee &amp; Spouse</b>	<b>\$65.31</b>	<b>\$14.53</b>
<b>Employee &amp; Child(ren)</b>	<b>\$62.61</b>	<b>\$13.82</b>
<b>Employee &amp; Family</b>	<b>\$100.46</b>	<b>\$21.73</b>

There are no changes to the benefits for the Humana Dental PPO or Vision plans for 2023. Visit [www.txcumc.org](http://www.txcumc.org) > **Clergy > Benefits > 2023 Open Enrollment** for details about these plans.

### H. Effective 1/1/2024, Marriage and Family Counseling Added as a Covered Benefit under both TAC Medical Plans – 1/1/2024 Termination of the Supplemental Counseling Benefit

The TAC Standard PPO and High Deductible PPO Medical Plans provide unlimited mental health visits in a calendar year for treatment of covered mental health issues. However, marriage and family counseling have not been a covered benefit under either the TAC Standard PPO or High Deductible PPO Medical Plans since marriage and family counseling typically are not covered by most medical plans.

Currently, marriage and family counseling are provided as follows:

1. Employee Assistance Plan (EAP) – The EAP, through Aetna Resources for Living, provides up to 6 counseling visits per issue per calendar year to all TAC active clergy and dependents, including clergy who are not enrolled in the TAC Group Health Benefits Plan. Marriage and family counseling are covered.
2. Supplemental Counseling Benefit – Provides up to 50 counseling visits in a calendar year to participants in the *TAC Standard PPO Plan only* with a \$25 copay and a \$95 plan payment. Charges more than \$120 are the responsibility of the participant. Available to use with appropriately licensed *out-of-network* mental health providers. Marriage and family counseling are covered.

Originally, the Supplemental Counseling Benefit was intended to be offered to participants enrolled in the TAC High Deductible PPO Medical Plan as well as the Standard PPO Medical Plan. However, one of the primary benefits of enrolling in a high deductible plan is to be able to make tax-free contributions into a Health Savings Account (HSA) up to the annual HSA contribution limits. For a high deductible plan to be qualified for

participants to make tax-free HSA contributions, IRS rules require that high deductible plan participants must pay their full annual deductible out-of-pocket before receiving any “substantial” benefits under the plan, except for their annual Wellness exams which are covered prior to meeting the annual deductible.

Since the Supplemental Counseling Benefit provides up to 50 counseling visits in a calendar year, a “substantial” medical benefit is provided without having to first meet the participant’s annual deductible. As a result, the Supplemental Counseling Benefit cannot be offered to TAC High Deductible PPO Plan participants for the plan to remain HSA-qualified.

To provide marriage and family counseling to participants in both TAC medical plans, effective 1/1/2024, *unlimited marriage and family counseling visits will be added as a covered benefit under both the Standard PPO and High Deductible PPO Plans*. The current Supplemental Counseling Benefit will be terminated effective 1/1/2024 since it will be replaced by the new marriage and family counseling benefit provided under both medical plans.

Effective 1/1/2024, cost sharing for ***all mental health counseling visits*** (including but not limited to marriage and family counseling) will be as follows:

- **Standard PPO Plan**
  - There will be a ***\$25 copay*** for all ***in-network mental health counseling visits (including marriage and family counseling)*** under the Standard PPO Plan.
  - ***Out-of-network mental health counseling visits*** (including marriage and family counseling) will be subject to applicable Standard PPO Plan *out-of-network* deductibles and co-insurance.
- **High Deductible PPO Plan**

All mental health counseling visits (including marriage and family counseling) will be subject to in-network and out-of-network deductibles and co-insurance as applicable under the High Deductible PPO Plan.

Other mental health (non-counseling) office visits as well as all other mental health benefits under both the Standard PPO and High Deductible PPO Plans will be subject to applicable Standard PPO and High Deductible PPO Plan cost sharing (copays, deductibles, and co-insurance).

#### I. Effective 1/1/2024, Hearing Aids Added as a Covered Benefit under both TAC Medical Plans – 1/1/2024 Termination of the Hearing Aid Out-of-Pocket Reimbursement Benefit

The TAC currently provides a Hearing Aid Out-of-Pocket Reimbursement Benefit to Active Clergy and TAC Fiscal Office Lay Employees enrolled in the TAC GHB Plan for hearing aid(s) once every three years for each ear if required (dependents and retirees are not eligible). Eligible hearing aid expenses are reimbursed after payment of a \$250 co-pay on the first \$2,500 of total eligible expenses, including hearing exam and hearing aid(s). The participant pays a 10% co-insurance for eligible expenses that exceed \$2,500. The calendar year deductible applicable to the participant’s PPO plan does not apply to this Hearing Aid Out-of-Pocket Reimbursement Benefit.

Effective 1/1/2024, the current Hearing Aid Out-of-Pocket Reimbursement Benefit will be terminated.

Effective 1/1/2024, hearing aids will be a covered benefit available to Active Clergy and TAC Fiscal Office Lay Employees and dependents as well as under age 65 Early Retirees and dependents enrolled in the TAC Standard PPO and High Deductible PPO Plans. Hearing aid(s) will be covered once every three years for each ear if

required. Applicable Standard PPO and High Deductible PPO Plan in-network and out-of-network deductibles, co-insurance and maximum out-of-pocket expense limits will apply.

Covered benefits include:

- 1) a hearing aid instrument, monaural or binaural, including ear mold(s).
- 2) visit for fitting, counseling, and adjustments;
- 3) the initial battery;
- 4) cords;
- 5) other ancillary equipment.

The following are not covered:

- 1) purchase of batteries or other ancillary equipment except those covered under the terms of the initial hearing aid purchase;
- 2) charges for a hearing aid that exceed the specifications prescribed for correction of a hearing loss;
- 3) replacement parts for hearing aids, repair of a hearing aid after the covered warranty period, and replacement of a hearing aid more than once in any 36-month period;
- 4) surgically implanted hearing devices.

### 3. Operating Deficits & Continual Decline in Active Medical Plan Reserves

#### A. Actual Performance 2013 - 2022

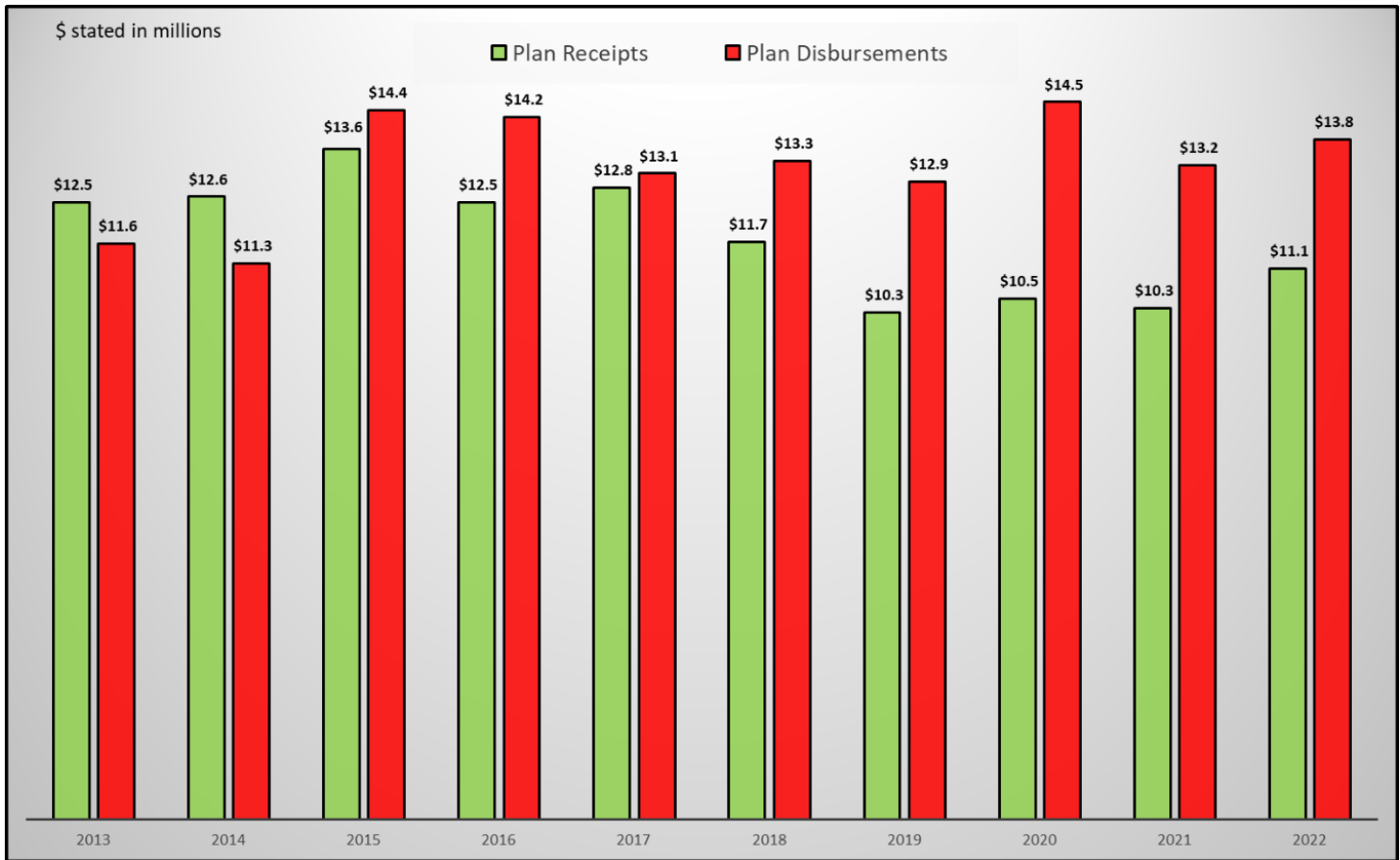
Since 2015, the Plan has been operating in a deficit position meaning plan disbursements have exceeded plan receipts. During the ten-year period, 2013 – 2022, plan disbursements have exceeded plan receipts by \$14.4 million. The \$14.4 million of incremental expense has been funded by investment returns and plan reserves. Investment gains and plan reserves have covered \$10.6 million and \$3.8 million of the \$14.4 million deficit respectively.

<i>\$ stated in millions</i>	2013	2014	2015	2016	2017	2018
Reserve Fund (BOY)	\$ 13.7	\$ 16.1	\$ 18.3	\$ 16.9	\$ 16.9	\$ 19.8
Operating Surplus / (Deficit)	0.8	1.4	(0.8)	(1.7)	(0.3)	(1.6)
Investment Gain / (Loss)	1.6	0.8	(0.6)	1.8	3.2	(1.3)
Reserve Fund (EOY)	<u>\$ 16.1</u>	<u>\$ 18.3</u>	<u>\$ 16.9</u>	<u>\$ 16.9</u>	<u>\$ 19.8</u>	<u>\$ 16.9</u>

<i>\$ stated in millions</i>	2019	2020	2021	2022	10-year period 2013 - 2022
Reserve Fund (BOY)	\$ 16.9	\$ 17.9	\$ 16.5	\$ 15.2	\$ 13.7
Operating Surplus / (Deficit)	(2.6)	(4.0)	(2.9)	(2.6)	(14.4)
Investment Gain / (Loss)	3.7	2.6	1.5	(2.7)	10.6
Reserve Fund (EOY)	<u>\$ 17.9</u>	<u>\$ 16.5</u>	<u>\$ 15.2</u>	<u>\$ 9.9</u>	<u>\$ 9.9</u>

B. Actual Plan Receipts and Plan Disbursements 2013 - 2022

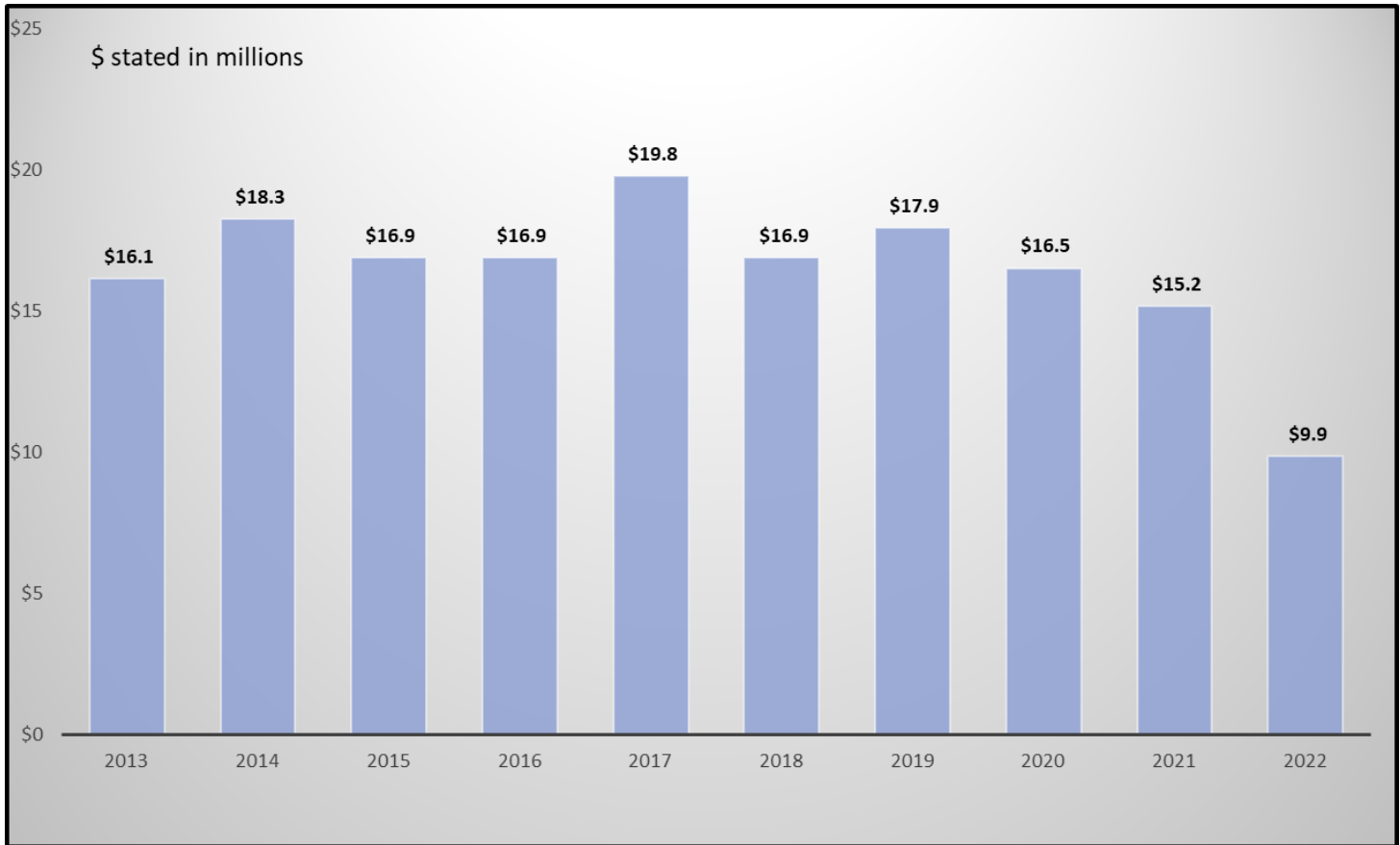
Plan year 2022 marked the 8<sup>th</sup> consecutive year where disbursements have exceeded receipts. Since 2018, the average annual operating deficit has been \$2.75 million. The largest deficit was in 2020 where expenses exceeded receipts by \$4.0 million. In the graph below, receipts are shaded in green, and disbursements are shaded in red:





### C. Actual Plan Reserve Levels 2013 - 2022

Plan reserves reached a peak of \$19.8 million in 2017. Over the next five plan years (2018 – 2022), the reserve declined by 50% thus ending 2022 with a reserve balance of \$9.9 million. During this five-year period, plan disbursements exceeded plan receipts by \$13.8 million. Positive investment returns of \$3.8 million offset a portion of the \$13.8 million deficit. The remaining balance of the deficit was covered by the release of reserves.



### D. Projected Performance 2023 - 2025

Disaffiliation in 2022 has resulted in a decline in the number of covered participants as of January 1, 2023. Plan participation has declined from 524 actives to 317 actives (does not include covered dependents). The reduction in the plan population will reduce plan expenses whereby operating deficits are projected to decline to \$0.8 million and \$1.5 million in 2023 and 2024 respectively. However, expenses are expected to continue to outpace receipts in 2023 and beyond. As of the close of 2024 and 2025, the reserve fund is expected to approach \$8.4 million and \$7.2 million respectively.

\$ stated in millions	10-year period 2013 - 2022	2023	2024	2025	13-year period 2013 - 2025
Reserve Fund (BOY)	\$ 13.7	\$ 9.9	\$ 9.5	\$ 8.4	\$ 13.7
Operating Surplus / (Deficit) a/	(14.4)	(0.8)	(1.5)	(1.5)	(18.1)
Investment Gain / (Loss)	10.6	0.4	0.4	0.3	11.7
Reserve Fund (EOY)	\$ 9.9	\$ 9.5	\$ 8.4	\$ 7.2	\$ 7.2

a/ Projected operating deficit in 2023 is reduced from \$1.4M to \$0.8M; reflects accounting impact of decline in IBNR reserve stemming from claims reduction associated with smaller plan population.

#### **4. Recommended Changes to the Active Group Health Plan**

In 2022, The Group Health Benefits Committee directed the Center for Connectional Resources Benefits Staff in conjunction with the TAC Benefits Consultants, Alera Group, to research and present proposals for alternatives to the current self-funded Active GHB plan to the Committee for future consideration.

##### A. Group Health Plan to Remain Self-insured for 2024

Analysis was conducted to determine plan viability under the following design options: (1) remaining self-insured; or (2) remaining self-insured with revised premium rates paid by participants and churches; or (3) outsource to a fully insured plan model. Based on analysis and requests for proposals from 3<sup>rd</sup> party insurers, the Group Health Benefits Committee recommends continuing to operate the Group Health Plan through the existing self-insured model, as remaining self-insured resulted in significant savings over the fully insured proposals received.

##### B. Close Operating Deficits (i.e., the expense gap) by Increasing Plan Receipts

###### *2024 – Increase participant paid premiums.*

To eliminate the GHB operating deficit, participant paid premiums and church billing rates will be increased in 2024 and 2025 respectively. Historically, participant paid premiums (based on clergy billing rates) have been heavily subsidized for dependent coverage. Effective 1-1-2024, clergy billing rates will be adjusted whereby a greater portion of actual expenses are covered via premium collections for dependent coverage in the plan. In addition, direct billing rates for laity, early retiree, surviving spouse, dependents of Medicare eligible participants and long-term disabled will be adjusted upwards accordingly.

Proposed increases to align dependent rates with industry norms for dependent coverage were considered in 2020 but were delayed due to the unprecedented impact resulting from the COVID pandemic in 2020 and 2021. Rate increases for dependent coverage were once again examined in 2022 but were delayed due to the uncertainty surrounding the disaffiliation process.

The increases in the clergy billing rate and the direct billing rates for all other classes of plan participants is expected to recover roughly \$1 million of the forecasted \$1.5 million operating deficit in 2024.

###### *2025 – Increase the church billing rate to 14.5%.*

Effective 1-1-25, the church billing rate will be increased from 12.5% to 14.5%. The increase in the church billing rate to 14.5% is expected to recover the remaining \$0.5 million of the forecasted operating deficit in 2025.

###### *Plan receipts to remain on par with plan disbursements.*

On a go-forward basis, participant paid premiums and church billing rates will be reviewed annually to ensure plan receipts remain on par with plan disbursements. Plan reserves and investment returns are available to offset unforeseen claims costs outside of expected year over year increases. Plan reserves and investment returns are no longer anticipated to be a major component of plan funding in future years.

## 5. Revised Billing Rates, Average Paid Premiums and Participant Share of Costs

### A. Billing Rates and Average Paid Premiums 2023 vs. 2024

Billing rates and the average **monthly** premium paid (based on average GHB compensation of \$95,992) for 2023 and 2024 are outlined in the table below. Please note, the 2024 premiums are calculated using the revised rates.

Sample premium amounts below are based TAC average 2023 GHB compensation of \$95,992. Actual premium amounts will vary based on actual clergy compensation.				
	2023		2024	
	Billing Rate	Premium	Billing Rate	Premium
<u>Standard PPO</u>				
Participant	6.75%	\$ 540	6.75%	\$ 540
Participant + Spouse	8.20%	\$ 655	13.30%	\$ 1,065
Participant + Child	7.40%	\$ 590	10.35%	\$ 830
Family	9.25%	\$ 740	15.65%	\$ 1,255
<u>HDHP</u>				
Participant	4.65%	\$ 370	3.25%	\$ 260
Participant + Spouse	5.90%	\$ 470	7.10%	\$ 570
Participant + Child	5.45%	\$ 435	5.45%	\$ 435
Family	6.65%	\$ 530	9.65%	\$ 770

### B. Change in Participant-paid Portion of Costs

The average **monthly** cost to insure each level of coverage, the portion of monthly costs paid by the clergy, the portion of monthly costs paid by the employer (i.e., the church) and the portion paid from plan reserves is outlined in the 2023 table below (costs are calculated using the TAC average 2023 GHB compensation of \$95,992):

2023 Costs	(A) Clergy Paid	(B) Church Paid 11.20%	(C) Paid by Plan Reserves	(A + B + C) Total Cost	% Subsidy
<b>Standard PPO</b>					
Participant	\$ 540	\$ 895	\$ (430)	\$ 1,005	46.3%
Participant + Spouse	\$ 655	\$ 895	\$ 580	\$ 2,130	69.2%
Participant + Child	\$ 590	\$ 895	\$ 175	\$ 1,660	64.5%
Family	\$ 740	\$ 895	\$ 1,305	\$ 2,940	74.8%
<b>HDHP</b>					
Participant	\$ 370	\$ 895	\$ (375)	\$ 890	58.4%
Participant + Spouse	\$ 470	\$ 895	\$ 520	\$ 1,885	75.1%
Participant + Child	\$ 435	\$ 895	\$ 135	\$ 1,465	70.3%
Family	\$ 530	\$ 895	\$ 1,175	\$ 2,600	79.6%

The clergy billing rates, instituted for 2024, have been set to shift a greater percent of the costs for dependent selected coverage to the participant. Also, the rates have been set to entice participation in the High Deductible Plan as an alternative to the Standard PPO Plan. Subsidy levels, where the subsidy percent has been decreased, are reflected in red. Subsidy levels, where the subsidy percent has been increased, are reflected in green. See table below for 2024 cost sharing (costs are calculated using the TAC average 2023 GHB compensation of \$95,992):

2024 Costs	(A) Clergy Paid	(B) Church Paid 12.50%	(C) Paid by Plan Reserves	Total Cost	% Subsidy
<b>Standard PPO</b>					
Participant	\$ 540	\$ 1,000	\$ (535)	\$ 1,005	46.3%
Participant + Spouse	\$ 1,065	\$ 1,000	\$ 65	\$ 2,130	<b>50.0%</b>
Participant + Child	\$ 830	\$ 1,000	\$ (170)	\$ 1,660	<b>50.0%</b>
Family	\$ 1,255	\$ 1,000	\$ 685	\$ 2,940	<b>57.3%</b>
<b>HDHP</b>					
Participant	\$ 260	\$ 1,000	\$ (370)	\$ 890	<b>70.8%</b>
Participant + Spouse	\$ 570	\$ 1,000	\$ 315	\$ 1,885	<b>69.8%</b>
Participant + Child	\$ 435	\$ 1,000	\$ 30	\$ 1,465	<b>70.3%</b>
Family	\$ 770	\$ 1,000	\$ 830	\$ 2,600	<b>70.4%</b>

## 6. Active Medical Plan Forecast

The increase in the participant paid premiums in 2024, via revised clergy rates and revised direct billing rates for all other participant categories, and the increase in the church contribution rate to 14.50% in 2025 have been incorporated into the forecast for the years 2024 through 2025. As a result, the operating deficits for 2023, 2024 and 2025 are projected to be \$1.4 million, \$0.5 million, and \$0.0 million, respectively.

As referenced in section 4B. of the report, the changes in the clergy billing rates, changes in the direct billing rates for all other participant categories, and the increase in the church contribution rate in 2025, were instituted to bring plan receipts in line with plan disbursements. As reflected in the forecast, the positive impacts on operating performance are highlighted in green. As of the close of 2025, the goal is to no longer be dependent on the liquidation of plan reserves and investment returns to close the expense gaps that have been common in this plan.

<i>ACTIVE MEDICAL</i>				
	Actual		Forecast	
	2022	2023	2024	2025
Beginning Reserve Fund	\$ 15,180,389	\$ 9,863,059	\$ 9,484,975	\$ 9,330,882
<u>Receipts</u>				
- Church contributions	4,678,820	3,168,287	3,542,606	4,068,642
- Participant contributions	3,990,188	2,330,447	3,210,577	3,210,577
- Early retiree contributions	252,125	294,300	345,300	345,300
- Apportionment	1,037,054	211,367	-	-
- Stop loss and refunds	1,183,331	672,520	672,520	672,520
Total Receipts	11,141,518	6,676,921	7,771,003	8,297,039
<u>(Expenses)</u>				
- Active medical and prescription drug (claims + admin)	(13,270,721)	(7,715,000)	(7,946,450)	(7,946,450)
- Retiree HRA benefits paid	(1,064,691)	(1,079,400)	(1,079,400)	(1,079,400)
- Dental and vision	(307,955)	(192,200)	(192,200)	(192,200)
- Wellness and disease management	(152,889)	(104,000)	(104,000)	(104,000)
- Employee Assistance Program	(17,184)	(11,375)	(11,375)	(11,375)
- Health care reform/ CMS	(4,782)	(4,560)	(4,560)	(4,560)
- Other programs / costs	(35,437)	(2,000)	(2,000)	(2,000)
Total Expense	(14,853,659)	(9,108,535)	(9,339,985)	(9,339,985)
Transfer from Retiree Medical Fund for HRA Funding (end of fiscal year transfer)	1,064,691	1,079,400	1,079,400	1,079,400
Operating income over expense	(2,647,450)	(1,352,214)	(489,582)	36,454
Transfer of funds from Pension	-	-	-	-
Investment income (loss)	(2,695,406)	424,250	359,750	359,750
IBNR reserve accrual	25,526	549,880	(24,260)	(0)
Ending Reserve Fund	\$ 9,863,059	\$ 9,484,975	\$ 9,330,882	\$ 9,727,086

## 7. Future Active GHB Plan Considerations

As indicated in previous reports, multiple factors have contributed to TAC GHB Plan operating deficits over the past several years, including the higher than average age of clergy and the increase in health care costs associated with an older population; high levels of stress associated with active ministry; the prevalence of chronic conditions such as diabetes, hypertension, and coronary artery disease; and gaps in self-care with regards to medication management and participation in disease management programs. The Group Health Benefits Committee recognizes that a comprehensive, long-term solution is needed to address these issues to provide a sustainable GHB plan in the future for TAC active clergy and families.

Accordingly, the Group Health Benefits Committee has directed the Center for Connectional Resources Benefits Staff in conjunction with the TAC Benefits Consultants, Alera Group, to research and present proposals for alternatives to Boon-Chapman, the current TAC GHB Plan Third Party Administrator (TPA). A change in the TPA is sought to provide a higher level of customer service, claims processing and administrative efficiencies to active TAC GHB Plan participants, as well as evaluate other health care options such as Care Navigation/Coordination, Centers of Excellence, Condition-Specific Point Solutions, and alternative Disease Management and Wellness Programs, with the goal of providing both improved health outcomes for participants as well as long-term mitigation of increasing health care costs.

Proposals for a new TPA will be considered during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2023. If warranted, a new TPA will be announced during the open enrollment period for the 2024 plan year. Any change in the TPA will be accompanied by investments in health care solutions, managed within the new TPA contract, aimed at utilizing health care resources most effectively to enhance member engagement and improve participant health outcomes, thereby reducing claims costs over time.

## 8. Retiree Medical Plan Forecast

The retiree medical plan surplus is projected to grow to 117.9% in 2023; 123.3% in 2024; and 129.2% in 2025. The reserve balances are expected to produce investment returns of 5% thus maintaining levels ample in meeting the annual funding of retiree HRAs. The 2023 – 2025 forecast for the retiree medical plan is reflected in the chart below. The forecast does not comprehend future design changes being contemplated as of the writing of this report.

<b>RETIREE MEDICAL</b>				
<i>Assumes 5.00% return on investments in 2023 - 2025.</i>	Actual	Forecast		
	2022	2023	2024	2025
Postretirement Medical Liability (BOY)	\$ (20,104,500)	\$ (19,308,200)	\$ (18,511,900)	\$ (17,715,600)
Postretirement (Expense) / Income	1,499,100	1,499,100	1,499,100	1,499,100
Adjustment for AOCI Position	(702,800)	(702,800)	(702,800)	(702,800)
Adjustment for Year-end Actuarial Valuation	-	-	-	-
Postretirement Medical Liability (EOY)	\$ (19,308,200)	\$ (18,511,900)	\$ (17,715,600)	\$ (16,919,300)
Retiree Medical Reserve (BOY)	\$ 27,918,967	\$ 21,816,715	\$ 21,828,151	\$ 21,840,158
Return on Assets	(5,037,561)	1,090,836	1,091,408	1,092,008
Retiree Medical Reserve (EOY)	\$ 22,881,406	\$ 22,907,551	\$ 22,919,558	\$ 22,932,166
Transfer to Group Health Reserve for HRA Funding (to be made at year-end)	(1,064,691)	(1,079,400)	(1,079,400)	(1,079,400)
Retiree Medical Plan Surplus / (Deficit)	\$ 2,508,515	\$ 3,316,251	\$ 4,124,558	\$ 4,933,466
% of Liability Funded	113.0%	117.9%	123.3%	129.2%

## **9. Eligible Active GHB Participant Settlement Payout in lieu of Retiree Medical Subsidy Benefit (TAC GHB Retiree Health Benefits Policy 130)**

The Texas Annual Conference (TAC) has provided a Retiree Medical Subsidy to assist retired clergy and their spouses or surviving spouses who are Medicare Primary with the cost of their health care in retirement. The basic subsidy is \$190 per person per month, or \$2,280 per year. Prior to January 1, 2018, the Retiree Medical Subsidy was used to reduce the amount charged retirees each month for their coverage in the TAC Retiree Group Health Plans.

Effective January 1, 2018, the Retiree Medical Subsidy has been provided to eligible Medicare Primary retirees, spouses and surviving spouses through a tax-free Health Reimbursement Arrangement (HRA) Account administered through Via Benefits (previously named OneExchange).

Since the inception of the policy, the TAC GHB Policy 130 Retiree Health Benefits has provided retiree health benefits to eligible TAC retired clergy, spouses and surviving spouses who meet the eligibility criteria as specified in the eligibility provisions of the policy. This is not nor has it been an entitlement or guaranteed benefit as specified on page 6 of the policy, but rather a gift that the TAC has provided to TAC retired clergy to assist with the cost of their health care in retirement.

TAC GHB Policy 130 has been amended as needed by the TAC Group Health Benefits Committee with the approval of the Board of Pensions and with the concurrence of Annual Conference. Prior to 1/1/2017, all active TAC clergy enrolled in the TAC GHB Plan could receive the Retiree Medical Subsidy Benefit at retirement if otherwise eligible; at the time the liability to the TAC was approximately \$24 million which was unsustainable. As a result, Policy 130 was amended effective 1/1/2017 so that only clergy who were 55 years or older as of 1/1/2017 (born prior to 1/1/1962) would be eligible to receive the Retiree Medical Subsidy at retirement. That eliminated approximately half of all active TAC clergy, along with all new hires on or after 1/1/2017, from receiving the Retiree Medical Subsidy (HRA funding) as future retirees.

As of January 1, 2023, there are 475 Medicare eligible individuals (TAC retirees, spouses and surviving spouses) receiving the TAC Retiree Medical Subsidy (HRA funding through Via Benefits). There are currently 56 active clergy and 38 spouse dependents in the active TAC GHB Plan who would be eligible for the TAC Retiree Medical Subsidy (HRA funding through Via Benefits) upon their future retirement date.

The Group Health Benefits Committee is recommending a settlement plan whereby active clergy and spouses currently eligible for the TAC Retiree Medical Subsidy (HRA funding) at a future retirement date (currently 56 clergy + 38 spouses) would receive a lump-sum payment in lieu of receiving the TAC Retiree Medical Subsidy (HRA funding through Via Benefits) at retirement. The lump-sum payment would be made to eligible individuals as of January 1, 2024.

An external actuarial firm, Aon, has determined the aggregate costs of the settlement plan. The costs of the program represent the sum of all payments calculated on a specific eligible individual basis. The total is used to determine a uniform amount that will be paid to each qualified individual. Each eligible individual will receive a payment of \$24,000.00. An eligible couple will receive twice the lump-sum payment of a single eligible individual. The lump-sum payment will be reduced by service percentage for those whose first appointment was on or after July 1, 2005.

The lump sum payment will be considered taxable income for the 2024 tax year. The Conference will gross-up the amount using a rate of 20.0% to cover the tax incurred on the payment. A lump sum payment of \$24,000.00 will be paid out in the amount of \$30,000.00 (\$24,000.00 + 20% gross up). The total lump sum amount for 56 eligible clergy (along with 38 eligible spouses) is \$2,011,200 or \$2,514,000 with the 20% tax gross up. The Retiree Medical Reserve will be the source of funds used to make the payments.

All TAC retirees, spouses and surviving spouses eligible for and receiving the TAC Retiree Medical Subsidy (HRA funding through Via Benefits) prior to 1/1/2024 would continue to receive their Retiree Medical Subsidy (HRA funding) and would not be eligible for or affected by the settlement payout to eligible active TAC GHB clergy and spouses. This would limit eligibility for the TAC Retiree Medical Subsidy (HRA funding through Via Benefits) to current participants as of 1/1/2024.

Once the lump-sum distributions are made to those eligible individuals, the retiree medical benefit (i.e., contribution to HRA account) would be closed to new participants. The plan closure shortens the duration of the existing accrued benefit liability. Benefits of the lump-sum payout to eligible recipients are as follows:

- Cash payment is not limited to reimbursement of health care expenses. Recipients have the flexibility to utilize funds as desired.
- Cash payment is available for immediate investment and future returns.
- Taxes associated with distribution are mitigated by the 20% gross up applied towards the payment.



## 10. Summary of Active Group Health Plan Status and Forthcoming Changes (see report section)

### Present Status

- Plan year 2022 was the 8<sup>th</sup> consecutive year where disbursements have exceeded receipts. (3A)
- Since 2018, the average annual operating deficit has been \$2.75 million. (3B)
- Largest deficit was in 2020 where expenses exceeded receipts by \$4.0 million. (3B)
- During the period 2018 – 2022, plan reserves declined by 50% and plan disbursements exceeded plan receipts by \$13.8 million thus resulting in a 50% decline in reserve levels. (3C)
- Ending reserve balance for 2022 was \$9.9 million, down from \$19.8 million in 2017. (3C)

### Plan Changes Considered (section 4A)

- The Group Health Benefits Committee considered moving the TAC Group Health Plan from its existing self-insured arrangement to a fully insured arrangement with a 3<sup>rd</sup> party insurance company.
- Committee evaluated various plan designs with Wespath's Healthflex fully insured plan and an outsourced model with Blue Cross Blue Shield.
- In all cases, the costs would be greater under a fully insured arrangement.
- Committee recommended to continue to operate the Group Health Plan through the existing self-insured model.

### Align Plan Receipts with Plan Expenses - Close Operating Deficits by Increasing Plan Receipts (section 4B)

#### 2024

- Clergy billing rates increased so that a greater portion of actual expenses are covered via premium collections for dependent coverage in the plan.
- Direct billing rates for laity, early retiree, surviving spouse, dependents of Medicare eligible participants and long-term disabled will be increased accordingly.
- Increases in the clergy billing rate and the direct billing rates for all other classes of plan participants is expected to recover roughly \$1 million of the forecasted \$1.5 million operating deficit.

#### 2025

- Church billing rate will be increased from 12.5% to 14.5%.
- Increase in the church billing rate to 14.5% is expected to recover the remaining \$0.5 million of the forecasted operating deficit.

### Implement Solutions to Control Claims Costs (section 7)

## 11. Items Requiring a Vote

### A. Marriage and Family Counseling

- Effective 1/1/2024, add marriage and family counseling as a covered benefit under both TAC Medical Plans
- Effective 1/1/2024, terminate the Supplemental Counseling Benefit

#### B. Hearing Aids

- Effective 1/1/2024, add hearing aids as a covered benefit under both TAC Medical Plans
- Effective 1/1/2024, terminate the Hearing Aid Out-of-Pocket Reimbursement Benefit

#### C. Increase Plan Receipts via Billing Rate Adjustments

- Increase participant-paid premiums effective January 1, 2024 (detail of rate changes are included in Addendum D).
- Change the Church contribution rate to 14.50% for 2025 (increase from 12.50% in 2024)

#### D. Eligible Active GHB Participant Settlement Payout In lieu of Retiree Medical Subsidy Benefit (TAC GHB Retiree Health Benefits Policy 130)

- A lump-sum payment is made to qualified individuals in lieu of the retiree medical benefits received in retirement.

\*\*\*\*\*

All invested funds reflect the Social Investment Guidelines as provided for by Wespath and follows the Investment Policy Statement adopted by both the Group Health Benefits Committee and the Board of Pensions.

All reserves are invested according to the Investment Policy Statement (IPS) under the supervision of the Investment Committee. The Group Health Benefits Committee with the concurrence of the Board of Pensions and CF&A and the approval of Annual Conference has complete discretion regarding how these funds will be utilized. While budgeted (forecasted) amounts are anticipated to be accurate, the Group Health Benefits Committee reserves the right to spend part of their reserves in the provision of budgeted programs in the event revenues decrease or expenses escalate. The Group Health Benefits Committee is a sub-committee of the Board of Pensions which according to the Discipline has over-all responsibility for the funding (in conjunction with CF&A) and provision of both pension and health care benefits to clergy.

The Group Health Benefits Plan has a self-insured PPO and a self-insured prescription drug plan which covers clergy and laity. Retirees and surviving spouses over the age of 65 who meet the eligibility requirements are provided a contribution toward the cost of their medical insurance as provided for in Group Health Benefits Policy 130. The Group Health Benefits Plan is not a form of entitlement, and it should be noted that the Group Health Benefits Committee under the direction of and subject to the approval of the Board of Pensions, with the concurrence of Annual Conference, reserves the right to amend or possibly eliminate both the active and retiree benefits.

Thanks and recognition are given to the following individuals: **Rev. Robert Besser**, Conference Benefits Officer; **Mark Hellums**, Controller, Texas Annual Conference; **Barbara Kilby**, Manager, Group Health and Pension Benefits / HIPAA Privacy Officer; **Ginger Neely**, Administrative Assistant; **Patricia Goforth-Rakes**, Senior Benefits Specialist, Pensions and Retiree Health Benefits / Walking Program Coordinator; and **Marianela Morales**, Group Health Benefits Specialist / Wellness Program Coordinator; for providing outstanding dedication and skillful application of their talents in this difficult and changing field. Also, thanks to each of the Group Health Benefits Committee members for their work in crafting the solutions we have identified to date and enduring long and challenging committee meetings.

## Addendum A – 2023 Budget for Active Medical Plan

	2023	
<b>Receipts</b>		
Apportionment	\$ 211,367	
PPO church	2,620,807	
PPO clergy	2,092,167	
PPO extension ministries	325,000	
PPO laity	153,360	
PPO retirees	147,420	
Dependent of One Exchange retiree	146,880	
Incapacity	115,200	
Dental and vision receipts	192,200	
Stop loss payments	50,000	
Insurance refunds	622,520	
Other	-	
Total receipts	\$ 6,676,921	
<b>Disbursements and Expenses</b>		
Payment of claims	\$ 5,391,200	
Prescription drug claims	1,347,800	
Administration fees	551,000	
Humana dental and vision premiums	192,200	
Stop loss coverage	425,000	
Retiree HRA Benefits Paid	1,079,400	
Adoption reimbursements	-	
Mental health benefits	11,375	
Disease management / Wellness incentives	104,000	
Health care reform taxes	4,560	
Miscellaneous costs	2,000	
Total disbursements	\$ 9,108,535	
Excess receipts over disbursements	\$ (2,431,614)	
<b>Transfer from / (to) Board of Pensions</b>	-	
<b>Investment income (loss):</b>		
Group Health Reserve gain (loss)	424,250	
Rate Stabilization Reserve gain (loss)	-	
Net investment income	424,250	a/
<b>IBNR reserve accrual</b>	549,880	b/

<b><i>Change in Reserve Status</i></b>		
Beginning Reserve Fund	\$ 9,863,059	
Change in Reserve Fund	(1,457,484)	
Ending Reserve Fund	\$ 8,405,575	
Transfer from Group Health Reserve for HRA Funding (to be made year-end 2023)	1,079,400	
<b>Ending Reserve Fund</b>	<b>\$ 9,484,975</b>	

- a/ Reflects projected return of 5.0% on GHB investments during 2023. Investment return is calculated on an expected average portfolio value of \$8.485M in 2023.
- b/ IBNR reserve is projected to total \$0.809M as of the 2023 close down from the 2022 close amount of \$1.359M.

## Addendum B – 2024 Forecast for Active and Retiree Medical Plan

	2024	
<b>Receipts</b>		
Apportionment	\$ -	
PPO church	2,962,726	
PPO clergy	2,961,257	
PPO extension ministries	325,000	
PPO laity	169,200	
PPO retirees	168,600	
Dependent of One Exchange retiree	176,700	
Incapacity	142,800	
Dental and vision receipts	192,200	
Stop loss payments	50,000	
Insurance refunds	622,520	
Other	-	
Total receipts	\$ 7,771,003	
<b>Disbursements and Expenses</b>		
Payment of claims	\$ 5,552,936	
Prescription drug claims	1,388,234	
Administration fees	567,530	
Humana dental and vision premiums	192,200	
Stop loss coverage	437,750	
Retiree HRA Benefits Paid	1,079,400	
Adoption reimbursements	-	
Mental health benefits	11,375	
Disease management / Wellness incentives	104,000	
Health care reform taxes	4,560	
Miscellaneous costs	2,000	
Total disbursements	\$ 9,339,985	
Excess receipts over disbursements	\$ (1,568,982)	
<b>Transfer from / (to) Board of Pensions</b>	-	
<b>Investment income (loss):</b>		
Group Health Reserve gain (loss)	359,750	
Rate Stabilization Reserve gain (loss)	-	
Net investment income	359,750	a/
<b>IBNR reserve accrual</b>	(24,260)	b/

### ***Change in Reserve Status***

Beginning Reserve Fund	\$ 9,484,975
Change in Reserve Fund	(1,233,492)
Ending Reserve Fund	\$ 8,251,482
Transfer from Group Health Reserve for HRA Funding (to be made year-end 2024)	1,079,400
<b>Ending Reserve Fund</b>	<b>\$ 9,330,882</b>

a/ Reflects projected return of 5.0% on GHB investments during 2024. Investment return is calculated on an expected average portfolio value of \$7.195M in 2024.

b/ IBNR reserve is projected to total \$0.833M as of the 2024 close up from the 2023 close amount of \$0.809M.

## Addendum C – 2025 Forecast for Active and Retiree Medical Plan

	2025	
<b>Receipts</b>		
Apportionment	\$ -	
PPO church	3,436,762	
PPO clergy	2,961,257	
PPO extension ministries	377,000	
PPO laity	169,200	
PPO retirees	168,600	
Dependent of One Exchange retiree	176,700	
Incapacity	142,800	
Dental and vision receipts	192,200	
Stop loss payments	50,000	
Insurance refunds	622,520	
Other	-	
Total receipts	\$ 8,297,039	
<b>Disbursements and Expenses</b>		
Payment of claims	\$ 5,552,936	
Prescription drug claims	1,388,234	
Administration fees	567,530	
Humana dental and vision premiums	192,200	
Stop loss coverage	437,750	
Retiree HRA Benefits Paid	1,079,400	
Adoption reimbursements	-	
Mental health benefits	11,375	
Disease management / Wellness incentives	104,000	
Health care reform taxes	4,560	
Miscellaneous costs	2,000	
Total disbursements	\$ 9,339,985	
Excess receipts over disbursements	\$ (1,042,946)	
<b>Transfer from / (to) Board of Pensions</b>	-	
<b>Investment income (loss):</b>		
Group Health Reserve gain (loss)	359,750	
Rate Stabilization Reserve gain (loss)	-	
Net investment income	359,750	a/
<b>IBNR reserve accrual</b>	-	b/





<b><i>Change in Reserve Status</i></b>		
Beginning Reserve Fund	\$ 9,330,882	
Change in Reserve Fund	(683,196)	
Ending Reserve Fund	\$ 8,647,686	
Transfer from Group Health Reserve for HRA Funding (to be made year-end 2025)	1,079,400	
<b>Ending Reserve Fund</b>	<b>\$ 9,727,086</b>	

a/ Reflects projected return of 5.0% on GHB investments during 2025. Investment return is calculated on an expected average portfolio value of \$7.195M in 2025.

b/ No year over year change projected in the IBNR reserve.

## Addendum D – 2024 Billing Rates

### *Clergy Contribution Billing Rates*

<b>Standard PPO</b>	 <b>2023</b>	 <b>2024</b>	<b>Change</b>
Clergy	6.75%	6.75%	0.00%
Clergy & Spouse	8.20%	13.30%	5.10%
Clergy & Children	7.40%	10.35%	2.95%
Clergy & Family	9.25%	15.65%	6.40%
<b>High Deductible PPO</b>	 <b>2023</b>	 <b>2024</b>	<b>Change</b>
Clergy	4.65%	3.25%	-1.40%
Clergy & Spouse	5.90%	7.10%	1.20%
Clergy & Children	5.45%	5.45%	0.00%
Clergy & Family	6.65%	9.65%	3.00%

### *Monthly Direct Billing Amounts*

#### *Early Retiree (paid by Retiree)*



<b>Standard PPO</b>	 <b>2023</b>	 <b>2024</b>	<b>Change</b>
Retiree	\$640.00	\$650.00	\$10.00
Retiree & Spouse	\$1,315.00	\$1,500.00	\$185.00
Retiree & Children	\$905.00	\$950.00	\$45.00
Retiree & Family	\$1,480.00	\$1,800.00	\$320.00
<b>High Deductible PPO</b>	<b>2023</b>	<b>2024</b>	<b>Change</b>
Retiree	\$450.00	\$450.00	\$0.00
Retiree & Spouse	\$920.00	\$1,050.00	\$130.00
Retiree & Children	\$635.00	\$650.00	\$15.00
Retiree & Family	\$1,035.00	\$1,250.00	\$215.00


#### *Surviving Spouse (under age 65) (paid by Surviving Spouse)*

<b>Standard PPO</b>	<b>2023</b>	<b>2024</b>	<b>Change</b>
Single	\$540.00	\$650.00	\$110.00
With under 65 dependent(s)	\$805.00	\$950.00	\$145.00
<b>High Deductible PPO</b>	<b>2023</b>	<b>2024</b>	<b>Change</b>
Single	\$360.00	\$450.00	\$90.00
With under 65 dependent(s)	\$545.00	\$650.00	\$105.00



## Monthly Direct Billing Amounts

### **Medical Leave (Boon-Chapman Primary) - paid by Sustentation / Participant**

<b>Standard PPO</b>	 <b>2023</b>	 <b>2024</b>	<b>Change</b>
Clergy - 60% - Sustentation	\$384.00	\$390.00	\$6.00
Clergy - 40% - Participant	\$256.00	\$260.00	\$4.00
Clergy & Spouse - 60% - Sustentation	\$789.00	\$900.00	\$111.00
Clergy & Spouse - 40% - Participant	\$526.00	\$600.00	\$74.00
Clergy & Children - 60% - Sustentation	\$543.00	\$570.00	\$27.00
Clergy & Children - 40% - Participant	\$362.00	\$380.00	\$18.00
Clergy & Family - 60% - Sustentation	\$888.00	\$1,080.00	\$192.00
Clergy & Family - 40% - Participant	\$592.00	\$720.00	\$128.00

<b>High Deductible PPO</b>	 <b>2023</b>	 <b>2024</b>	<b>Change</b>
Clergy - 60% - Sustentation	\$270.00	\$270.00	\$0.00
Clergy - 40% - Participant	\$180.00	\$180.00	\$0.00
Clergy & Spouse - 60% - Sustentation	\$552.00	\$630.00	\$78.00
Clergy & Spouse - 40% - Participant	\$368.00	\$420.00	\$52.00
Clergy & Children - 60% - Sustentation	\$381.00	\$390.00	\$9.00
Clergy & Children - 40% - Participant	\$254.00	\$260.00	\$6.00
Family - 60% - Sustentation	\$621.00	\$750.00	\$129.00
Family - 40% - Participant	\$414.00	\$500.00	\$86.00

### **Medical Leave (Medicare Primary) - paid by Sustentation / Participant**

<b>Standard PPO</b>	 <b>2023</b>	 <b>2024</b>	<b>Change</b>
Clergy - 60% - Sustentation	\$192.00	\$195.00	\$3.00
Clergy - 40% - Participant	\$128.00	\$130.00	\$2.00
Clergy & Spouse - 60% - Sustentation	\$394.50	\$450.00	\$55.50
Clergy & Spouse - 40% - Participant	\$263.00	\$300.00	\$37.00
Clergy & Children - 60% - Sustentation	\$271.50	\$285.00	\$13.50
Clergy & Children - 40% - Participant	\$181.00	\$190.00	\$9.00
Clergy & Family - 60% - Sustentation	\$444.00	\$540.00	\$96.00
Clergy & Family - 40% - Participant	\$296.00	\$360.00	\$64.00

<b>High Deductible PPO</b>	 <b>2023</b>	 <b>2024</b>	<b>Change</b>
Clergy - 60% - Sustentation	\$135.00	\$135.00	\$0.00
Clergy - 40% - Participant	\$90.00	\$90.00	\$0.00
Clergy & Spouse - 60% - Sustentation	\$276.00	\$315.00	\$39.00
Clergy & Spouse - 40% - Participant	\$184.00	\$210.00	\$26.00
Clergy & Children - 60% - Sustentation	\$190.50	\$195.00	\$4.50
Clergy & Children - 40% - Participant	\$127.00	\$130.00	\$3.00
Family - 60% - Sustentation	\$310.50	\$375.00	\$64.50
Family - 40% - Participant	\$207.00	\$250.00	\$43.00

### Monthly Direct Billing Amounts

#### TAC Fiscal Office Lay Employees

Standard PPO	2023	2024	Change
Employee	\$640.00	\$650.00	\$10.00
Employee & Spouse	\$1,315.00	\$1,500.00	\$185.00
Employee & Children	\$905.00	\$950.00	\$45.00
Employee & Family	\$1,480.00	\$1,800.00	\$320.00
High Deductible PPO	2023	2024	Change
Employee	\$450.00	\$450.00	\$0.00
Employee & Spouse	\$920.00	\$1,050.00	\$130.00
Employee & Children	\$635.00	\$650.00	\$15.00
Employee & Family	\$1,035.00	\$1,250.00	\$215.00

Joint Committee on Medical Leave  
Barbara Kilby, Benefits Manager  
Rev. Robert Besser, Benefits Officer

The Joint Committee on Medical Leave in conjunction with the Cabinet approves medical leave for clergy members of the conference who are unable to perform their ministerial work due to health matters and disabling conditions.

The committee considers each case anonymously. If approved for medical leave, the clergy person receives short-term or long-term medical leave benefits as eligible when unable to work because of a health issue or disability.

There are three options for medical leave for clergy in the Texas Annual Conference as designated in the Group Health Benefits Policy 136, found at: <https://www.txcumc.org/wp-content/uploads/2022/11/GHB136LOABenefits.pdf>.

We are grateful to the members of this committee and their dedication to this holy work.



Archives & History  
Rev. Bill Hedges, Archivist

The Archives Center was built in 2017 after the closure of the Dornbush Historical Library at Lon Morris College in Jacksonville, Texas. It is located at the junction of State Highway 105 East and Loop North 336E in Conroe, Texas and shares the campus with the Texas Annual Conference Mission Center (Depot).

The Archives Center is the depository of the records of the Texas Annual Conference and its predecessors since 1840 as well as articles, books and documents pertaining to the South-Central Jurisdiction and General Conference of the United Methodist Church. We are governed by the Director of Connectional Resources in Houston and the Commission on Archives and History.

Within our collection one can find copies of the Disciplines, the General Minutes of the Methodist Church, the Annual Journals of the East Texas, Texas and Trinity Conferences since 1840 to the present, District records, copies of Local Church historical records and books on Methodist history.

We follow the guidelines of the General Commission on Archives and History in Madison, N.J. for our collection in the receiving, accessing, cataloging and disposal, if need be, of materials sent to us. We cooperate with historians and archivists in other Annual Conferences by sharing data that might be of value to them.

Of special note are the "Finding Aids" listing the data collected, such as when the churches and districts were first organized, when and where the bishops held the Conferences and the clergy who were appointed by them. The Archives Centers maintains a list of clergy who served in the Texas Annual Conference since 1840. Using the data from the Journal we can also offer a list of pastors who have served a given church or circuit.

This is a summary of our work at the Archives Center, and we would be happy to assist you in any way. To make a virtual visit to the Center in Conroe please go to <https://www.tscumc.org/connectional-resources/archives-history/> We look forward to showing you around.

Here are some of the things I have worked on since the last Annual Conference:

- I discovered an article in the TUMHS Heritage Journal, Vol. 17, 2021 about the history of the church, written by Rev. Thomas A. Hill.
- Accessed and entered Methodist Trivia in 6.4.11
- Accessed and entered Archivist's Research Project lists.
- Accessed collection of papers dealing with the building of the Archives Center building, Dr. Faulk Landrum, Wm. Hardt, and others.
- Accessed and entered the following lists in 11.3.30
  - TAC Metro Plan, 2006
  - Albert Outler, Ordination Sermon, 1981
  - Disciplines; History of Disciplinary Questions
  - TAC Settings, 1840-2021
  - Texas United Methodist Historical Society History
  - 100 Years of History of the Methodist Hospital, Houston
  - "Welcome to the Archives" by Bill B. Hedges, Archivist, 2022

- Finding Aids
- Copeland Center, Lakeview Conference Center, Palestine.
- Updated the list of “Closed” or “Abandoned Church” properties.
- Worked up “Index of Conferences in Texas” from Historical Atlas of Texas Methodism by William C. Hardt and John Wesley Hardt, Cross House Publishing, 2008. (A superb reference).
- Provided tours of the Archives Center to TAC Committees and church groups meeting at the Missions Center

Committee on Episcopacy  
Dr. Deborah Vaughn, Chair

During June 2022, with the announcement of Bishop Scott Jones’ retirement effective December 31<sup>st</sup>, 2022, the Texas Annual Conference Committee on Episcopacy immediately began our endeavors to: plan a celebration to extend appreciation to Bishop Jones and Mary Lou Reece for their service, explore and inform the South Central Jurisdiction’s Committee on Episcopacy and our Conference Delegation of our Conference’s needs regarding new episcopal leadership, and upon her assignment and arrival, participate in welcoming our new bishop and her husband, Bishop Cynthia Fierro Harvey and Dean Harvey.

The Committee is grateful for everyone who supported both the dinner at the Marriott Westchase and the worship service (hosted by First UMC, Westchase) in honor of Bishop Jones and Mary Lou in December.

The Committee is also grateful for everyone who participated in the various meetings, gatherings, and conversations, as well as those who submitted responses to the online survey regarding the state of our Conference and the direction forward. The input received by the Committee was invaluable and welcomed tools in the preparation of our report.

Upon Bishop Harvey’s appointment, we were excited to share an evening with her and Dean Harvey hosted by St. Paul’s UMC, Houston in December, and to later express our welcome to the episcopal residence upon their arrival. We look forward to supporting her as she moves our Conference forward.

Finally, we extend special thanks to Rev. Will Reed, our Conference Properties Manager, for his oversight of the episcopal residence, especially during the busy time of transition.

Committee on Episcopal Residence  
Rev. Dr. Will Reed

The Episcopal residence is well maintained and meets the needs of Bishop Cynthia Fierro Harvey and her family. The residence is assessed and maintained by the Texas Conference Board of Trustees and the Council on Finance and Administration who keep it in excellent repair. Prior to Bishop Harvey and Dean moving into the residence in late 2022, all the interior walls were painted, the exterior was power washed and painted in some areas, the garage was painted, the HVAC system was checked and filters replaced, several lights were repaired and updated, the Ice Maker and Kitchen Vent were replaced, the water heater was repaired, Internet access was updated, a window was repaired, landscaping was updated, and the entire house was professionally cleaned.

The episcopal residence is a beautiful home for our episcopal leader and is located close to the offices of the Texas Annual Conference.

The Center for Connectional Resources would like to express its gratitude to Hal Sharp, Chair of the Board of Trustees, and all who work so faithfully to care for our Episcopal residence.

<p>Safe Sanctuary Committee Rev. Reagan Seaton, Chairperson</p>
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Our Safe Sanctuary Committee started in 2021 with 3 goals for this quadrennium: first, to rewrite the Conference Safe Sanctuary policy and provide quality examples to churches of all sizes; second, to investigate and find the best background check software that meets the needs of the conference and churches; and third, to provide training in writing a safe sanctuary policy, running background checks, and training youth, adults, and children around safe sanctuary.

First, we are almost done with the new Safe Sanctuary Policy for the Conference. We plan to have that ready for everyone by the Summer of 2023. We also have been working to have sample policies for churches of different sizes. Those should be on our conference website by Annual Conference 2023. As a reminder, we are asking every church to turn in their Safe Sanctuary Policy during Charge Conference of 2023. Please make sure you are looking these over and have them ready for the Fall.

Second, we have done thorough research on background check companies. Due to our size, the number of users, and the number of background checks we run, we have not found a company that can meet our needs without causing exuberant costs to the Annual Conference and local churches. We will continue to look for new companies but for the time being there will be no change to our background check company.

Finally, due to disaffiliation, we will be pushing back our training around Safe Sanctuary. Our priority will be to develop the training to write a safe sanctuary policy. Then we will work on running background checks, and training youth, adults, and children around safe sanctuary.

As we work through these three areas, we will update the conference website to reflect more information. We want churches and pastors to have the resources to truly make churches and ministries safe for all people. Thank you in advance for your support in this call to holy living.

Presently, there are no Safe Sanctuary actions that require a vote.

## GENERAL INSTITUTION REPORTS

Houston Methodist Hospital  
Dr. Marc Boom, President/CEO

Houston Methodist has a proud tradition of leading medicine. It is comprised of an academic medical center in the world-renowned Texas Medical Center, six community hospitals, a long-term acute care hospital, a leading-edge research institute, and multiple freestanding emergency care and imaging centers that serve the Greater Houston area and beyond. Houston Methodist broke ground on its seventh community hospital, which will serve the fast-growing Cypress area, in spring 2022. Houston Methodist is primarily affiliated with Weill Cornell Medicine and NewYork-Presbyterian Hospital, two of the nation's leading centers for clinical care. Houston Methodist also has affiliations with Texas A&M Health Science Center and the University of Houston. Houston Methodist leverages these affiliations to take on the toughest challenges in medicine to pioneer better treatments and provide high-quality patient care and cutting-edge research.

Houston Methodist Hospital, the flagship hospital of Houston Methodist, is located in the Texas Medical Center. For more than 100 years, Houston Methodist Hospital has served the Houston community and the world with the highest-quality patient care in a cost-effective, spiritual environment. Affiliated with the Texas Conference of the United Methodist Church, Houston Methodist continues its longstanding commitment to improving the community's health and well-being. From its humble beginnings in downtown Houston, Houston Methodist Hospital has evolved into one of the nation's largest private nonprofit hospitals with 948 operating beds. The hospital has more than 8,488 employees, making it one of the largest employers in Houston. The hospital's reputation for excellence in patient care and its commitment to improving patient outcomes represent a significant motivation in the development of six multidisciplinary centers of excellence:

- Houston Methodist Cancer Center
- Houston Methodist DeBakey Heart & Vascular Center
- Houston Methodist J.C. Walter Jr. Transplant Center
- Houston Methodist Lynda K. and David M. Underwood Center for Digestive Disorders
- Houston Methodist Neurological Institute
- Houston Methodist Orthopedics & Sports Medicine

Houston Methodist is comprised of:

- 8 hospitals
- An academic research institute
- A comprehensive residency program
- 2,646 operating beds
- 1,929,772 outpatient visits
- 138,162 admissions
- 29,730 employees
- 4,923 affiliated physicians
- More than 20 orthopedic and sports medicine locations offering physical and occupational therapy across the Greater Houston area
- Specialty Physician Group with 944 physicians at 207 locations

- Primary Care Group with 184 physicians at 45 locations
- Affiliated with Weill Cornell Medicine, NewYork Presbyterian Hospital and the Texas Annual Conference of the United Methodist Church

In 2022, *U.S. News & World Report* named Houston Methodist Hospital to its Honor Roll, a list of the top hospitals in the country. This is the sixth time – and the fourth consecutive year - that Houston Methodist Hospital has been named to the Honor Roll and it is also the 11<sup>th</sup> year in a row it's been named the No. 1 hospital in Texas. The rankings are based on scores in patient care, patient safety, outcomes, nursing, advanced technology and reputation. U.S. News has ranked Houston Methodist Hospital as one of the top hospitals in the country for the past 30 years. Six of the ranked specialties appear in the top 20, and two were ranked in the top 10. Among its community hospitals, Houston Methodist Sugar Land was ranked No. 5 in Houston and No. 9 in Texas.

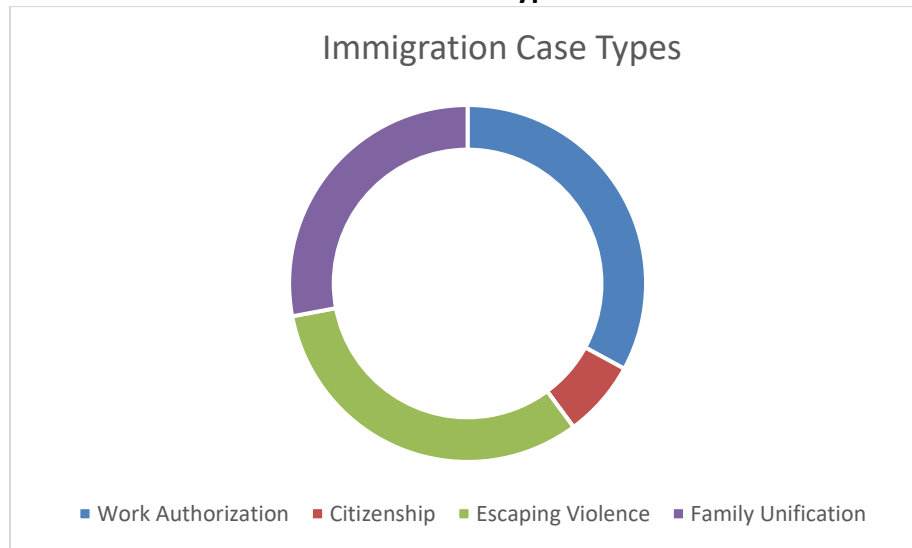
Houston Methodist continued to also treat COVID-19 patients along with non-COVID-19 patients in 2022. It has been a true leader on all fronts of battling this virus. Since the beginning of the pandemic in March 2020, the system has treated more than 38,000 COVID-19 inpatients. Physicians, nurses and staff have worked tirelessly through five different surges of COVID-19 patients. It's no wonder our hospitals continue to be recognized as some of the best in the country and our admission numbers have been strong.

In 2022, Houston Methodist Hospital and all six of our community hospitals were all recognized as top performers in the Bernard A. Birnbaum, MD, Quality Leadership annual rankings from Vizient. The top performer designation recognizes hospitals in different categories that demonstrate excellence in delivering high-quality care based on measures in the Vizient Quality and Accountability ranking system. All seven Houston Methodist hospitals also received an "A" Leapfrog Hospital Safety Grade in 2022. The Leapfrog Hospital Safety Grade is the only hospital rating focused exclusively on hospital safety. The safety grade provides consumers with critical information on how likely they are to experience accidents, injuries, errors or harm while in the hospital.

### Justice For All Immigrants (JFAI)

Justice for all Immigrants welcomed 480 new clients from 36 different countries in 2022, including many newcomers from Afghanistan, Venezuela, Cuba, and the Ukraine. JFAI managed 1,300 cases in 2022 including: 638 advice and counsel, 218 work authorization, 46 citizenship, 213 escaping violence, and 185 family reunification cases. Additionally, JFAI participated in 35 outreach events including asylum workshops, panels and presentations, community consultations, and immigration 101 trainings. We expanded our services and opened offices in San Antonio and Corpus Christi, Texas, and staff members attended national training conferences in Baltimore and New York City.

## 2022 Case Types



## 2022 Timeline

March 18 – Asylum workshop with BakerRipley

April 27 – AILA National Day of Action

May 16 – First San Antonio legal clinic

June 2 – JFAI celebrates its 7<sup>th</sup> year of providing services

June 23 – First legal clinic at Haven for Hope homeless shelter in San Antonio

July 20 – Family of 5 from Honduras wins asylum case

July 27 – Community consultations held at Teletón USA Children's Rehabilitation Center

August 16 – First Corpus Christi legal clinic

September 14 – JFAI staff attend the National JFON conference in Baltimore

October 24 – TPS workshop for Venezuelans

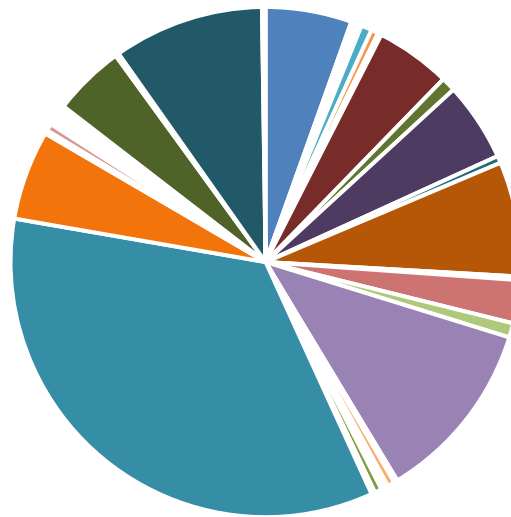
November 11 – Expanded capacity for asylum-seekers through funding from HILSC

November 15 - Food bank legal consultations at St. Peter's By the Sea UMC in Corpus Christi

November 18 – Staff wellness retreat at St. Luke's United Methodist Church

December 12 – National JFON became Immigration Law & Justice Network

2022 Clients' Countries of Origin



### Client Profile

Emmanuel was born in Liberia, and entered the United States in 1998 on a student visa. He was a victim of the Liberian Civil War, and became an orphan as a child and took refuge in another country. When he came to the United States, his host family consulted with an attorney who advised keeping Emmanuel on a student visa until he finished graduate school in 2014. After one year of being in the United States, Emmanuel was deprived of the opportunity to apply for asylum, even though he would have likely won his case. After his student visa expired, Emmanuel applied for Temporary Protected Status (TPS), and later he was eventually able to get his residency (green card) through a rare immigration program called the Liberian Refugee Immigration Fairness (LRIF). Ultimately, the program allowed Emmanuel to fast track to becoming a U.S. citizen, and on January 6, 2023, he took the Oath of Allegiance to the United States after being in the country for nearly 25 years.



### 2023 Projects & Goals

- JFAI plans to expand its Asylum Project to provide immigration legal services to individuals and families seeking asylum. The Asylum Project is currently supported by the United Methodist Committee on Relief (UMCOR) and the Houston Immigration Legal Services Collaborative (HILSC).
- JFAI returned to in-person legal clinics at St. Luke's UMC Gethsemane Campus. The legal clinics are held once a month.
- JFAI initiated a new Refugee Assistance Legal Clinic, also at St. Luke's UMC Gethsemane Campus. This clinic will serve the specific legal needs of refugees in the Gulfton and Sharpstown neighborhoods.

Lakeview Methodist Conference Center  
Josh Pulver, President & CEO



Greetings from the Holy Grounds of Lakeview! We are grateful for the opportunity to continue partnering with each of you in ministry. A lot has changed and is changing for Lakeview; however, our mission continues to be the same. Lakeview has been a constant for Methodists, East Texans, Aggies, and each person that has visited this beautiful place that God created. That will not change.

The changes in the denomination have had a major impact on Lakeview. The most frequent question we have heard from people is whether or not they would be allowed to come to Lakeview. The answer to that question will always be YES. Lakeview always has and always will be open to everyone regardless of their denominational affiliation.



Texas A&M announced in January that they will be relocating Fish Camp to a new facility near College Station in the future. This presents a major challenge for Lakeview, but also allows us to refocus and plan for the future.

As you know, we have spent a lot of time working on the Lakeview Plan. We feel this is still a great plan for Lakeview to move forward. During our verbal report, you will hear of the steps we will be taking into the future. Your continued support is key in helping Lakeview continue and expand our ministry.

We pray to see you and your students at camp this summer. Our theme is “Shine” and will focus on Matthew 5:14-16 as we learn about shining God’s light everywhere we go. Our staff is focusing on worship and enhancing the Spiritual aspects of camp this year. Please contact Josh Pulver or Drew Walker with any questions about camp.

Thank you for your dedication to Christ and to camp ministry. As always, I am eager to come share with you and your congregation the powerful ways that Lakeview can be in ministry with you.

Methodist Children’s Home  
Mr. Trey Oakley, President & CEO

Greetings from Methodist Children’s Home (MCH) and the more than 10,000 children, youth and families we serve each year. We appreciate your continued friendship through the Texas Annual Conference. In light of changes occurring in the church, and as an independent 501c3 organization, your continued voluntary support of our vision to empower all we serve to experience life to the fullest is as important as ever.

I invite each of you to visit our website at [MCH.org](http://MCH.org). There you can download stories, identify resources, view a transparent listing of our financial resources and services delivered, find out how to refer a child for placement, or learn more about a call to join our ministry.

Your support provides the resources needed to offer the care, programs and talented individuals needed to positively impact the lives of those we serve through residential care on the Waco campus and Boys Ranch and through 14 MCH Family Outreach offices, including Bryan/College Station, Houston and Tyler in the Texas Conference.

We are now in our 133<sup>rd</sup> year serving children, youth and families. Here are a few highlights of the past year:

- The MCH Board of Directors unanimously approved a proposal to begin a master planning process for the MCH Boys Ranch. This includes expansion of programs and examining how MCH can be even more effective in meeting the needs of children through residential placement.
- For the 10<sup>th</sup> consecutive time since 1986, MCH earned national reaccreditation from the Council on Accreditation (COA). MCH was evaluated on more than 800 standards, which examined all areas of our operations.
- Secured multiple million-dollar gifts for the Stone and Harris Homes on the Waco campus, and construction is underway. These new homes are the 10<sup>th</sup> and 11<sup>th</sup> new additions and complete Phase 4 of the multiyear Building Hope Capital Campaign.
- Raised more than \$900,000 in support of the launch of the 14<sup>th</sup> MCH Family Outreach office, which will be located in the Permian Basin and open in 2023.

- Strengthened the “Together We Flourish” initiative designed to maximize and steward our resources for ministry through collective impact, generosity and support in order to achieve the MCH vision and mission in a greater way. This initiative guides us as we seek out collaborations with other organizations and strengthen the cohesion between our ministry programs.
- MCH leadership attended the 2022 United Methodist Association (UMA) Conference in Savannah, Georgia. President and CEO Trey Oakley, Vice President for Programs Traci Wagner, and Community Engagement and Training Specialist John Warren presented at the conference.
- Launched a new Emergent Services program with MCH Family Outreach. Emergent Services allows staff to offer referral consultation, assistance and support in an efficient and impactful manner.
- Strengthened our partnership with the Fostering Collective in Tyler, which consists of more than 40 East Texas agencies, churches and groups that serve families. We also hosted one of the Collective’s monthly prayer meetings at our Family Outreach office in Tyler.
- Launched a pilot program to provide free professional counseling services for individuals and families. The program is initially being offered through the MCH Family Outreach offices in Abilene and Waco, with hopes of expanding to other MCH Family Outreach locations.
- MCH recognized Stephanie Cummings, residential supervisor on the Waco campus, who received the award for “General Residential Operation Staff of the Year” from the Texas Alliance of Child and Family Services. She was later recognized at the TACFS Administrators Conference.
- Children, youth and families enjoyed fun summer activities across our residential and Family Outreach programs. Youth participated in faith formation camps, volunteer opportunities and service-based mission trips.
- The MCH football team was named Texas Private School of the Week by Dave Campbell’s Texas Football. The Bulldogs were recognized for their 46-40 win against state champion Wylie Prep in Week 3.
- Dedicated the Florence C. Howard Prayer Labyrinth on the Waco campus. The prayer labyrinth is a space for outdoor worship, personal spiritual growth and contemplation.

Our achievements in the past and those yet to come are directly related to the many individuals and congregations throughout our service area, including the Texas Annual Conference, who support our work and ministry through financial gifts, prayers, advocacy and service on the Board of Directors. Let us continue realizing the great work already being done and begin to witness how God is going to move in the next chapter at MCH. May God continue to bless MCH and the ministries of the Texas Annual Conference.

<p>Methodist Retirement Communities Alan Brown, President &amp; CEO</p>
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Methodist Retirement Communities (MRC) celebrated its 60<sup>th</sup> year in 2022. It was a great time of reflection and celebration with special events throughout the year on all of our campuses. Through the years we have never wavered from our mission of honoring and serving older adults as an expression of Christ’s love, and we are grateful to the Texas Annual Conference and our continued Covenant of Connection.

2022 was also a year of moving past many of the limitations of the pandemic and getting back to the things that make life good. We once again enjoyed the ability to gather together and enjoy the blessings of fellowship and

experiencing life together. Our campuses are places of great engagement for our residents and staff, and they have a deep family bond.

### **MRC Board**

MRC is blessed to have a dedicated group of board members (listed at the end of this document) that freely give of their time, talent and treasure to cast a vision of faith-based, quality services for older adults. Ms. Alyce Anne Baggett of Lufkin currently serves as the Chair.

### **Mission, Vision and Planning**

Our strategic plan continues to guide us as we look to the future. As MRC moves forward, our work will be framed by:

#### **Mission**

We honor and serve older adults as an expression of Christ's love.

#### **Vision**

To transform the aging experience through innovation and heart

#### **Strategic Initiatives**

1. Explore new housing and health care models and pursue options for serving the middle market and underserved populations.
2. Become the "community of choice" in our service areas for residents and employees.
3. Grow the level of philanthropic support for MRC.
4. Strengthen MRC's advocacy and community engagement initiatives.

Action plans for each of these initiatives will lead us to reach and engage more older adults with diverse services and a purpose driven work force.

### **The MRC Family**

MRC has grown to a system with assets of over \$430 million and an annual operating budget of \$110 million. Every day, approximately 2,075 people are being served on our 13 campuses. We continue to serve residents in many settings, with a focus on providing each person an opportunity to enjoy life through engagement and meaningful relationships.

- Independent Living homes and apartments, at a wide range of price points, offer a variety of programs, activities and services.
  - Some are HUD subsidized for those with restricted income levels.
  - Some are rentals for those with limited assets.
  - Some have mostly refundable entry fees for those planning for all future possibilities while preserving their estate.
- Assisted Living apartments for those seeking three meals a day and help with various activities of daily living such as bathing, medication monitoring, toileting, dressing, eating and other activities.
- Memory Support suites for those with forgetfulness where specialized programs and activities are available to assist with specific needs and to facilitate dignified living.
- Long-term Skilled Nursing units for those needing 24/7 nursing care.
- Short-term rehabilitation units for those needing an optimal place for recovery, or even preparation ahead of a needed surgery.

- Home Health to help individuals remain in the most independent setting possible.
- Total units:
 

Residential Homes/Apartments	801
Assisted Living (AL) Apartments	261
AL Memory Support Apartments	318
Nursing & Rehab Beds	294
HUD Subsidized Apartments	<u>319</u>
Total Homes/Apartments/Beds	<u>1,993</u>
Home Health Agencies	2

**Growth**

Our newest community, Stevenson Oaks, opened in May 2022 and includes:

- 172 residential Independent Living apartment homes, 40 Assisted Living apartment homes, 24 Memory Support suites for those living with forgetfulness, and an Outpatient Rehab Center that will help residents remain in their homes within their community.

**Quality**

- MRC communities continue to perform with excellence and often superior outcomes in the many surveys we routinely encounter every year as part of the strong regulatory environment in which we operate.
  - This further solidifies our long-standing reputation as an organization whose services, programs, housing, care and activities represent quality to residents.
  - This also results in hospitals and managed care organizations viewing MRC communities as the place to send those seeking rehab.
- An example of this superior quality is the CMS (Centers for Medicare and Medicaid Services) grading system for the healthcare/nursing home sections of our communities. CMS rates everyone 1-5 stars, with 5 being the best; and we are extremely proud that MRC communities all rate at a 4 or 5.
- MRC continues to exceed nationwide benchmarks in resident and employee engagement.

**Philanthropy**

**Psalm 71:9**

***Do not cast me off in the time of old age;***

***Do not forsake me when my strength fails.***

MRC began with a gift of property and cash. We could not begin to do what we do without the generous support of donors. Many older adults cannot afford services when they need them and some have resources, but simply outlive them. In 2022, we provided over \$3.4 million in benevolence support through our Covenant Fund. The amount of support we can provide is only limited by the gifts we receive.

We are especially grateful for the TAC’s support of a Mother’s Day offering to benefit the Covenant Fund. Last year we received gifts from 39 churches/church groups. Thank you! The need for benevolent support increases each year and we encourage more churches to consider participating in this offering.

Those that lead and are a part of MRC understand the importance of financial gifts to support the Covenant Fund and other things that set us apart. 100% of our Board, 100% of our Executive Team, 100% of our campus Executive Teams, and 41% of all employees make financial gifts to MRC.

## **Human Resources**

Every day over 1,000 employees work to provide quality services to our residents and their families while exemplifying the values that define MRC as a faith-based organization. These values are defined by our ICARE program that all employees learn and follow as they serve each day.

- ICARE is an acronym for Integrity, Compassion, Accountability, Respect and Excellence.
  - Every potential new employee coming into the system is evaluated with regard to these values.
  - Every employee is evaluated annually to reflect on how well each conducted themselves according to these values.
  - Consistently throughout the year, a variety of mandatory training classes are held to reinforce ICARE values with each employee.
  - New and different ICARE programs are implemented throughout the year to keep a focus on these values.
  - Employees and residents alike are encouraged to submit “ICARE” cards that identify specific employee(s) who have been observed exhibiting one or more of the ICARE values. The number of cards turned in are tabulated by each community to help ensure a constant focus on these values.
  - In lieu of Employee of the Year, we select an ICARE Champion of the year for each community. These Champions are presented to the Board of Directors at a special luncheon during the February board meeting.

MRC is committed to supporting and helping our employees continue to grow. In 2022 we expanded and initiated the following:

### **Talent Acquisition**

MRC created a talent acquisition team for centralized employee recruitment. This team reaches new pools of potential applicants and builds relationships with those applicants quickly. People are finding purpose driven work at MRC. Open positions have been reduced by 28% and employee turnover has decreased by 5%.

### **Employee Scholarship Fund**

The Employee Scholarship Program is active at 4 of our campuses and will expand to others in 2023. The program at each of these communities is fully resident driven and primarily resident funded. For 2022, scholarships totaling \$59,137 were awarded to 23 employees. Being able to give and receive the gift of education makes us all stronger.

### **Employee Emergency Fund**

The Employee Emergency Fund was created in February 2021 to assist employees in financial need as a result of an emergency or crisis situation. In 2022, 444 employees contributed to the fund and 21 employees received assistance totaling \$19,052. This is a great way for all of us to help each other in difficult times.

## **Connect with MRC**

- Our website is [www.mrcaff.org](http://www.mrcaff.org) and you can connect to each of our Affiliate websites from there.
- We encourage you to join the MRC Facebook page, which you can reach through our website.
- To see how MRC is changing the narrative on aging through social media:
  - Our Senior Moments on TikTok ([www.tiktok.com/@ourseniormoments](https://www.tiktok.com/@ourseniormoments))
  - mrc.seniorliving *on Instagram* ([www.instagram.com/mrc.seniorliving](https://www.instagram.com/mrc.seniorliving))

MRC is very grateful for the support it receives from United Methodist Churches in the Texas Annual Conference and its members. Please know your support is critically important to help us meet the needs of seniors throughout the system.

***Recommendations:***

- 1. Ratification of MRC Board Members presented at Conference (Addendum 1)*
- 2. Ratification of MRC Bylaws updated May 2022 (Addendum 2)*

**ADDNEDUM 1**

**METHODIST RETIREMENT COMMUNITIES  
July 2022 – June 2023 Board of Directors  
as of February 2023**

**Class of 2023**

Mr. Jim Bunch  
Mr. Dale Conger  
Mr. Bill Koerner  
Mr. Larry St. Martin  
Rev. B.T. Williamson  
Mr. Tom Wussow

**Class of 2024**

Mr. Bill King

**Class of 2025**

Ms. Frankie Watson

**Class of 2026**

Rev. Ed Simmons

**Officers/Ex-Officio**

Mr. Wayne Haglund, Immediate Past Board Chair (serving 1st of 3 1-year terms)  
Ms. Alyce Anne Baggett, Board Chair (serving 1st of 3 1-year terms)  
Rev. Preston Morgan, Board Vice Chair (serving 1st of 3 1-year terms)  
Rev. Kip Gilts, Bishop's Designee  
Mr. Alan Brown, CEO (non-voting member)

**ADDNEDUM 2**

**AMENDED AND RESTATED BYLAWS  
OF  
METHODIST RETIREMENT COMMUNITIES**

## **ARTICLE 1**

### **STRUCTURE AND ORGANIZATION**

1.01. *Structure.* Methodist Retirement Communities (“MRC” or “Corporation”) is a nonprofit corporation organized under the laws of the State of Texas.

1.02. *Member.* The corporation has no members.

1.03. *Principal Place of Business.* The principal place of business of the Corporation will be located at 1440 Lake Front Circle, Suite 140, The Woodlands, Texas 77380. The Corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

1.04. *Registered Office and Registered Agent.* The Corporation will have and continuously maintain in the State of Texas a registered office and a registered agent whose office is the Corporation’s registered office, as required by the Texas Business Organizations Code (the “Code”). The registered office may, but need not be, identical with the principal office of the Corporation in the State of Texas and the address of the registered office may be changed from time to time by the Board of Directors in accordance with applicable law.

## **ARTICLE 2**

### **BOARD OF DIRECTORS**

2.01. *Classes, Powers, Number and Term of Office.* The property and affairs of MRC will be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, by the Certificate of Formation or by these Bylaws, the Board of Directors will exercise all of the powers of MRC. The Board of Directors will consist of two (2) classes of Directors; “Elected Directors” and “Ex-Officio Directors.” At least one half (1/2) or fifty percent (50%) of the Board of Directors will be members of the United Methodist Church. The Elected Directors and the voting Ex-Officio Director will be entitled to vote on all MRC matters at any annual, regular or special meetings of the Board of Directors.

2.02. *Elected Directors.* The number of Elected Directors will be no fewer than five (5) and no greater than twenty (20), as determined by the Board of Directors. Elected Directors will be entitled to vote on all MRC matters at any annual, regular or special meeting. The number of Elected Directors may be increased or decreased (providing that such decrease does not have the effect of shortening the term of any incumbent Elected Director) from time to time by majority vote of the then-qualified voting members of the Board of Directors.

- (a) Elected Directors will consist of duly-elected members from MRC Crestview, MRC PineCrest, MRC TownCreek d/b/a Creekside, and MRC Cornerstone boards, MRC Foundation and possible other related entities and members at large. There will be no fewer than one (1) from each affiliated entity, where residents are being serviced, elected to the MRC Board. The balance of the directors will be at-large members.
- (b) Unless a position is specifically determined and stated otherwise by the Board for purposes of staggering terms, the term of office for an Elected Director will be three (3) years, effective July 1 following his or her election. No Elected Director will serve more than three (3) consecutive three (3) year terms plus any partial term he or she has served due to a vacancy in the Board of

Directors; provided, however, that a Chairperson, Vice Chairperson or Immediate Past Chairperson may remain on the Board while continuing to serve as Chairperson, Vice Chairperson or Immediate Past Chairperson, including during successive officer terms in such position; and further provided that an Elected Director who has served three (3) consecutive three (3) year terms may, after a lapse of one (1) year, be elected to a new term. Director terms will be staggered as evenly as possible. For purposes of staggering the terms, the Board may choose at its discretion, subject to majority vote, to elect a Director for less than a three (3) year term.

- (c) Elected Directors will be (i) nominated by the Governance Committee of the Board of Directors, (ii) elected by majority vote of the Board of Directors then in office, and (iii) ratified by the Texas Annual Conference of the United Methodist Church.
- (d) An Elected Director will hold office until his or her respective (i) expiration of term of office as provided for in these Bylaws, (ii) resignation, (iii) removal, or (iv) death. In any event, an Elected Director will continue to serve until his or her respective successor will have been elected and qualified. Any Elected Director who fails to attend at least two consecutive board meetings per term year (July 1 through June 30) without due cause or with unexcused absences will be deemed to have resigned as an Elected Director.
- (e) Any Elected Director may resign at any time. Such resignation will be made in writing and will take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation will not be necessary to make it effective, unless expressly provided in the resignation.
- (f) Any Elected Director may be removed from office at any time with or without cause, by the vote of the majority of the directors then in office. Such removal will be without prejudice to the contract rights, if any, of the individual so removed.
- (g) Any vacancy occurring among the Elected Directors, whether by increase in number of Elected Directors or otherwise, will be filled by majority vote of the Board of Directors then in office, though less than a quorum, upon nomination of the Governance Committee.

2.03. *Ex-Officio Directors.* The Board of Directors of MRC will include the following Ex-Officio Directors, with voting rights as stated:

- (a) The Resident Bishop of the Texas Annual Conference or the Bishop's designee shall have voting rights;
- (b) The President of MRC will be non-voting.

Ex-Officio Directors will serve so long as they remain in the positions qualifying them as ex-officio directors. The Elected Directors and the Ex-Officio Directors are referred to collectively as the "Board of Directors," the "Board," or the "MRC Board."

2.04. *Meetings of Directors.* The Board of Directors may hold their meetings and may have an office and keep the books of MRC at such place or places in the State of Texas, or outside the State of Texas, as the Board of Directors may from time to time determine, provided, however, in the absence of any such determination, such place will be the registered office of MRC in the State of Texas.

2.05. *Annual Meeting.* The annual meeting of the Board of Directors ("Annual Meeting") will be held at such time and place as designated from time to time by the Board of Directors and as stated in the notice for such meeting. Notice of the Annual Meeting is required.

2.06. *Regular Meetings.* Regular meetings of the Board of Directors will be held quarterly at a time and place as designated from time to time by the Board of Directors and stated in the notice for such meeting.



Notice of the regular meetings will be given to each Director as required.

2.07. *Special Meetings.* Special meetings of the Board of Directors ("Special Meetings") will be held at such time and place as designated from time to time by the Chairperson or the Vice Chairperson in the absence or disability of the Chairperson, the President, or by the written request of a majority of the directors. Notice of Special Meetings will be required.

Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of MRC may be considered and acted upon at a Special Meeting, including but not limited to personnel matters described under Section 7.04. At any meeting at which every Director will be present, even though without any notice, any matter pertaining to the purposes of MRC may be considered and acted upon.

2.08. *Quorum.* One-half (1/2) of the directors, excluding Ex-Officio Directors, will constitute a quorum.

2.09. *Proxies.* A director may not vote by proxy.

2.10. *Compensation of Directors.* Persons serving as directors will not receive any salary or compensation for their services as directors; provided, however, that nothing contained herein will be construed to preclude any director from receiving compensation in a reasonable amount for personal services rendered (other than services rendered as a "Director") that are reasonable and necessary in carrying out MRC's purposes as the Board of Directors may from time to time determine. A director will be entitled to reimbursement for reasonable expenses incurred by him or her in carrying out his or her duties as a director.

2.11. *Duties of Directors.* A director will discharge the director's duties in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of MRC. In the discharge of any duty imposed or power conferred on a director, the director may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning MRC or another person that were prepared or presented by one (1) or more officers or employees of MRC; legal counsel, public accountants; or other persons acting solely in their professional capacity and not as volunteer directors as to matters the director reasonably believes are within the person's professional or expert competence. A director is not liable to MRC or any other person for any action taken or not taken as a director if the director acted in compliance with this Section.

2.12. *Actions of Board of Directors.* The Board of Directors will try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present will be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the Bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors.

### **ARTICLE 3 OFFICERS**

3.01. *Titles and Term of Office.* The officers of MRC will be a Chairperson, Vice Chairperson, Immediate Past Chairperson, President, Secretary, Treasurer, and such other officers and assistant officers as the Board of Directors may from time to time elect or appoint. One person may hold more than one office, except that the Chairperson will not hold the office of Secretary. The MRC President who will hold office of

President so long as he/she is the MRC President and, as such, Subsections (a) – (d) below do not apply to the position of President, it being understood that the President's role as an officer is subject to the terms of his/her employment as determined by the Board. If the Secretary and/or Treasurer are staff, they will not have terms and will hold office as appointed by the Board.

- (a) The term of office for each officer will be a one-year period commencing on July 1 following the Annual Meeting of the Board of Directors at which each such officer is elected. No officer may serve more than three (3) consecutive one-year terms in the same office unless the reason for a specific one-time exception is approved by the appropriate Board.
- (b) All officers will hold office until their respective (a) expiration of term of office as provided for in these Bylaws, (b) resignation, (c) removal, or (d) death. In any event, a duly-elected officer will serve in the office to which he or she is elected until his or her respective successor will have been elected and qualified.
- (c) Any officer may resign at any time. Such resignation will be made in writing and will take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation will not be necessary to make it effective, unless expressly provided in the resignation.
- (d) All officers will be subject to removal, with or without cause, at any time by a majority vote of the Board of Directors then in office. A vacancy in the office of any officer, whether by increase in the number of offices or otherwise, will be filled by a majority vote of the Board of Directors then in office.

3.02. *Chairperson.* The Chairperson will preside at all regular and special meetings of the Board of Directors and the Executive Committee. He or she will appoint special committees as authorized by the Board of Directors, will appoint the chairpersons of committees and will perform all other duties incident to the office as required by the Bylaws or assigned to him or her from time to time by the Board of Directors. The Chairperson of the MRC Board may designate the Vice-Chairperson or any MRC Executive Committee Member to act in the Chairperson's capacity with full authority of the MRC Chairperson's office, including voting privileges. Such designation and its scope and duration shall be communicated in writing to the President of MRC. The Chairperson of any meeting of the Board of Directors will determine the procedure at the meeting, including, without limitation, conduct of the discussion and the order of business.

3.03 *Vice Chairperson.* The Vice Chairperson will have such powers and duties as may be assigned to him or her by the Board of Directors including the performance of the duties of the Chairperson upon the death, absence or resignation of the Chairperson or upon the Chairperson's inability to perform the duties of his or her office. Any action taken by the Vice Chairperson in the performance of the duties of the Chairperson will be conclusive evidence of the Chairperson's absence or inability to act at the time such action was taken.

3.04 *Immediate Past Chairperson.* The Immediate Past Chairperson will have such powers and duties as may be assigned to him or her by the Board of Directors.

3.05 *Treasurer.* The Treasurer, with the support of any appointed Assistant Treasurer, will oversee all the funds and securities of MRC and will see that proper records of all financial transactions of MRC are faithfully kept. The Treasurer and all others who oversee or handle MRC's funds will, if required by the Board of Directors, be bonded with approved sureties in such form and amount as the Board of Directors may require. The financial records will be audited annually by a certified public accountant approved by the Board of

Directors, Finance Committee or Board appointed Committee such as an Audit Committee, if one exists, and as provided for in Section 6.02. The individual serving as Treasurer may also serve as Secretary. A Treasurer or Assistant Treasurer, if a staff member, will have no voting rights.

3.06 *Secretary*. The Secretary will keep the minutes of all meetings of the Board of Directors in books provided for that purpose and will have such other powers and duties as may be assigned to him or her by the Board of Directors. The individual serving as Secretary may also serve as Treasurer. A Secretary, if a staff member, will have no voting rights.

3.07 *Compensation of Officers*. Persons serving as officers, as such, will not receive any salary or compensation for their services as officers; provided, however, that nothing contained herein will be construed to preclude any officer from receiving compensation in a reasonable amount for personal services rendered (other than services rendered as an "Officer") that are reasonable and necessary in carrying out MRC's purposes as the Board of Directors may from time to time determine. An officer will be entitled to reimbursement for reasonable expenses incurred by him or her in carrying out his or her duties as an officer.

## **ARTICLE 4 PRESIDENT**

4.01 *President*. The Board of Directors will select, employ and retain upon terms and conditions satisfactory to the Board, a President of MRC, preferably a member of the United Methodist Church. The President of MRC will be the chief executive officer of MRC and, subject to the Board of Directors and the Executive Committee of MRC, he or she will be in general charge of property, assets and daily management of MRC. The President may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed. The President may designate other executives to execute local, operational contracts of a short-term nature; generally, not exceeding one year. The specific duties, the term of service and the compensation of the President will be designated by the Board of Directors. As provided in Article 2 of these Bylaws, the President will be an Ex-Officio non-voting member of the Board of Directors. The President will select, employ, retain and direct such personnel as the Board of Directors or the Executive Committee may authorize for the efficient and effective operation of MRC and its related entities, it being understood that such authority does not restrict the ability of the Board of Directors or the Executive Committee to engage outside consultants, legal advisors, or others as necessary to carry out its duties.

As chief executive officer under the supervision and direction of the Board of Directors, the President will carry on the general affairs of the Corporation. It will be his or her duty to approve the expenditure of the monies appropriated by the Board of Directors in accordance with the budget approved by the Board. The President will make an annual report and periodic reports to the Board concerning the programs of MRC. He or she will comply with all orders from the Board.

The President will serve as or will designate an individual to serve as Ex-Officio non-voting member of the Board and President of each corporation that is a subsidiary or affiliate of MRC, whether or not MRC serves as the sole member of the corporation.

4.02 *Vice President*. The President may appoint one or more Vice Presidents who will serve as non-voting officers.

## ARTICLE 5 COMMITTEES

5.01. *Executive Committee.* The Executive Committee of MRC will consist of the Chairperson, the Vice Chairperson, the Secretary, the Treasurer, the Immediate Past Chairperson, and other MRC Board members who shall have been nominated and elected to the Executive Committee by a majority vote of the Board of Directors. If staff members are serving as Secretary or Treasurer, such staff will not have a vote on the Executive Committee. The Executive Committee will have and may exercise all of the authority of the Board of Directors in the management of MRC, when the Board of Directors is not in session, except where action of the Board of Directors is specified by statute. The Executive Committee will exercise all authority of the Board of Directors in operations with respect to programs of city, county, state or federal departments and agencies. Actions of the Executive Committee may be ratified by the Board of Directors at subsequent meetings. The Executive Committee will adopt its own rules of procedure. The Executive Committee will keep regular minutes of the transactions of its meetings, will cause such minutes to be recorded in books kept for that purpose in the office of MRC, and will report the same to the Board of Directors from time to time. The President will attend Executive Committee meetings as required by the Executive Committee.

Regular Meetings of the Executive Committee may be held between regular meetings of the Board. Special Meetings of the Executive Committee may be called by the Chairperson, by the Vice Chairperson in the absence, death or disability of the Chairperson. Notice of all meetings of the Executive Committee will be given to each member pursuant to Section 6.03 at least five (5) days before the meeting.

### 5.02. *Other Committees.*

- (a) The Board of Directors may provide for the appointment of such other committees, in addition to those committees set forth in this Article 5, as the Board of Directors deems necessary having such powers as the Board of Directors may determine and specify in the resolutions creating such committees along with their charge from the board and length of service, if specified. The Chairperson of the Board of Directors, or a designee appointed by the Chairperson will be an Ex-Officio Member of all committees, including those described in this Article 5. The President or his or her designee will be a non-voting ex-officio member of all committees, including those described in this Article 5, except the Executive Committee.
- (b) The establishment of a committee or the delegation of authority to it will not relieve the Board of Directors, or any individual director, of any responsibility imposed by the Bylaws or otherwise imposed by law. In the event a committee is not properly constituted or fails to perform, the Executive Committee will assume and perform all the rights, privileges and responsibilities of such committee.
- (c) The term of office for each Committee Chair will be a one-year period commencing on July 1 following the Annual Meeting of the Board of Directors at which such Committee Chair is appointed. No Committee Chair may serve more than three (3) consecutive one-year terms in the same office unless the reason for a specific one-time exception is approved by the appropriate Board or Committee.
- (d) No committee will have the authority of the Board of Directors to:
  - (i) Amend the Certificate of Formation.
  - (ii) Adopt a plan of merger or a plan of consolidation with another corporation.
  - (iii) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property

and assets of MRC.

- (iv) Authorize the voluntary dissolution of MRC.
- (v) Revoke proceedings for the voluntary dissolution of MRC.
- (vi) Adopt a plan for the distribution of the assets of MRC.
- (vii) Amend, alter, or repeal the Bylaws.
- (viii) Elect, appoint, or remove a member of a committee or a Director or officer of MRC.
- (ix) Approve any transaction to which MRC is a party and that involves a potential conflict of interest.
- (x) Take any action outside the scope of authority delegated to it by the Board of Directors.
- (xi) Take final action on a matter that requires the approval of the Board.

5.03. *The Finance Committee.* The Finance Committee ("Finance") will consist of five (5) or more members including the Treasurer of MRC who, except if the Treasurer is a staff member, will be the Chairperson of Finance. If the Treasurer is a staff member, the Finance Committee Chairperson shall be elected by the MRC Board. Finance will supervise all of the funds and accounts of MRC, including the investment of capital funds, and will oversee monthly reports, if available and desired, and regular quarterly reports to the Executive Committee and MRC Board. Finance will oversee and review annual budgets that are submitted by MRC management to the Board of Directors for approval and adoption.

5.04. *The Governance Committee.* The Governance Committee ("Governance" or "Governance Committee") will consist of five (5) or more members, at least two (2) of whom must be members of the Executive Committee. Governance will give thought throughout the year to replacing directors whose terms will expire within the current year with men or women who are particularly qualified to bring the finest possible leadership to MRC. When submitting nominations, Governance will assess the qualifications for membership on MRC and MRC affiliate/subsidiary boards. Such assessment will include, but not be limited to, the leadership needs of affiliate boards and their business cycle. These and other considerations to be made may be expressed in a Nominations Philosophy Statement which will be in keeping with MRC's core values.

- (a) At the Annual Meeting of the Board of Directors, Governance will submit the names of nominees for election to the Board of Directors at least fifty percent (50%) of whom will be members of the United Methodist Church. After election by majority vote of the Board of Directors, Governance will be responsible for presenting the names of the directors to the Texas Annual Conference for ratification by the next session of the Texas Annual Conference. If and when vacancies occur during any year, Governance will submit to the Board of Directors nominations to fill such vacancies.
- (b) Governance will also bring to the Annual Meeting nominations for the officers of the Board of Directors, to be elected in accordance with Section 3.01 hereof. If and when vacancies occur during any year, Governance will submit to the Board of Directors nominations to fill such vacancies.
- (c) Governance will:
  - (i) Identify a self-assessment tool for evaluation of the boards of directors and individual

- directors;
- (ii) Monitor attendance, board member financial contributions, and other activities or requirements for directors, as noted in these Bylaws under Article 2;
- (iii) Participate in orientation of new and current directors, including guidance for materials included in the Board Manual for directors;
- (iv) Review the bylaws from time to time for changes or updates required due to changes in regulations, or changes in law or practice;
- (v) Share with the MRC Board no less than once each year the results of self-assessment. The Chairperson of the Governance Committee will be the Immediate Past Chair of the MRC Board of Directors. If the immediate past Chair of the MRC Board is unable to serve, the MRC Chairperson will nominate another Board member to serve upon the ratification of the MRC Board.

5.05. *Procedures; Meetings; Quorum.* Any committee created by the Board of Directors or these Bylaws, unless otherwise expressly provided herein or provided by resolution of the Board of Directors, will:

- (a) Have a Chairperson designated by the Board of Directors;
- (b) Fix its own rules or procedures;
- (c) Meet at such times and at such place or places as may be provided by such rules or by resolution of the Board of Directors; and
- (d) Keep minutes of its meetings and report to the Board of Directors at its next succeeding meeting.

At every meeting of any such committee, the presence of a half of all the members thereof will constitute a quorum, and the affirmative vote of a majority of the members present will be necessary for the adoption by it of any action, unless otherwise expressly provided in the committee's rules or procedures or these Bylaws or by the Board of Directors.

The Board of Directors may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting of such committee and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint the designated alternate director to act at that meeting, in the place of the absent or disqualified member.

## **ARTICLE 6**

### **MISCELLANEOUS PROVISIONS**

6.01. *Fiscal Year.* The fiscal year of MRC will be determined from time to time by the Board of Directors.

6.02. *Audit.* The Executive Committee or an Audit Committee authorized by the Executive Committee will select the auditing firm that will perform the annual audit.

6.03. *Notice and Waiver of Notice.* Whenever any notice is required to be given by mail under the provisions of these Bylaws, such notice will be deemed to be delivered when deposited in the United States mail in a sealed postpaid wrapper addressed to the person entitled thereto at such person's post office address, as such appears in the records of the Corporation, and such notice will be deemed to have been given on the date of such mailing. If transmitted by facsimile or other means such as e-mail, notice is deemed to be delivered on successful transmission of the facsimile or other electronic means. A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, will be deemed equivalent to notice.

The attendance of a person at a meeting will constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

6.04. *Decision Without Meeting.* Any action required by the Code to be taken at a meeting of the directors of Corporation or any action that may be taken at a meeting of the directors of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of directors or committee members as would be necessary to take that action at a meeting at which all of the directors, or members of the committee were present and voted, as required by the Code. The consent must have the date of each director's or committee member's signature. Prompt notice of the taking of any action by directors or a committee without a meeting by less than unanimous written consent will be given to all directors or committee members who did not consent in writing to the action.

6.05. *Meeting via Telephone or other Remote Electronic Communications.* Subject to the requirements of law for notice of meetings, unless otherwise restricted by the Certificate of Formation or these Bylaws, directors, or members of any committee may participate in and hold a meeting of such directors, or committee members, as the case may be, by means of a conference telephone or another remote electronic communications system, including videoconferencing technology or the Internet, only if:

- (a) Each person entitled to participate in the meeting consents to the meeting being held by means of that system, with consent being deemed as given if no objection within 48 hours of the meeting notification date and time; and
- (b) The system provides access to the meeting in a manner or using a method by which each person participating will be able to communicate with the others.

6.06. *Contracts.* Except as otherwise limited by these Bylaws and subject to Network Best Practices, the Board of Directors may authorize any officer or officers, agent or agents of MRC, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of MRC, and such authority may be general or confined to a specific instance.

6.07. *Checks, Drafts, or Orders for Payment.* All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of MRC will be signed by the President or Treasurer, the Board of Directors may designate by resolution other such officer or officers, agent or agents of the Corporation until such time as the positions of President and Treasurer are filled. In the interim absence of

a President or Treasurer, the Board of Directors may designate, by resolution, other such officer or officers, agent or agents of the Corporation until such time as the positions of President and Treasurer are filled.

6.08. *Deposits.* Absent a specific designation by the Board of Directors, or restriction resulting from a previous agreement, such as being part of an obligated group, the President or President's designee will determine such banks, trust companies or other depositories to be utilized by the Corporation.

6.09. *Gifts.* The Board of Directors may accept on behalf of MRC any contribution, gift, bequest, or devise for the general purposes, or for any specific purpose, for which MRC has been created. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the Bylaws, the Certificate of Formation, state law, and any requirements for maintaining MRC's federal and state tax status.

6.10. *Prohibited Acts.* As long as MRC is in existence, and except with the prior approval of the Board of Directors, no Director, officer, or committee member of MRC will:

- (a) Do any act in violation of the Bylaws or a binding obligation of MRC.
- (b) Do any act with the intention of harming MRC or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of MRC.
- (d) Receive an improper personal benefit from the operation of MRC.
- (e) Use the assets of MRC, directly or indirectly, for any purpose other than carrying on the business of MRC.
- (f) Wrongfully transfer or dispose of MRC property, including intangible property such as good will.
- (g) Use the name of MRC (or any substantially similar name) or any trademark or trade name adopted by MRC, except on behalf of MRC in the ordinary course of MRC's business.
- (h) Disclose any MRC business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.
- (i) Represent themselves as authorized representatives of the Board of Directors.

6.11. *Private Inurement.* Notwithstanding any other provision of the Certificate of Formation or these Bylaws, MRC will not engage in any activities which are not permitted (1) by a nonprofit corporation exempt from federal corporate tax under Section 501(c)(3) of the Internal Revenue Code, or (2) by a nonprofit corporation's contributions to which are to be deductible under Section 170(c)(2) of the Internal Revenue Code.

6.12. *Required Books and Records.* MRC will keep correct and complete books and records of account, financial statements and minutes of the proceedings of the Board of Directors, and committees having any of the authority of the Board of Directors. Any Director, officer, or committee member of MRC may inspect and receive copies of all books and records of MRC required to be kept by the Bylaws if the person has a proper purpose related to the person's interest in MRC and if the person submits a request in writing, subject to legal requirements of confidentiality. Any person entitled to inspect and copy MRC's books and records may do so through his or her attorney or other duly-authorized representative.



6.13. *Alternative Recordkeeping.* The books, records, and minutes of the proceedings of the Board of Directors and any committee thereof may be created and maintained in any form capable of being converted into written paper form within a reasonable time, including but not limited to electronic form.

6.14. *Signatures.* A facsimile, electronic mail or similar transmission by an officer, director, or member of a committee or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by an officer, director or member of a committee shall be regarded as signed by the director or member of a committee.

## **ARTICLE 7**

### **TRANSACTIONS AND CONFLICT OF INTEREST**

7.01. *Duality of Interest.* Any duality of interest or possible conflict of interest on the part of any member of the Board of Directors will be disclosed to the other directors and made a matter of record (i) through an annual procedure and (ii) when such interest or conflict becomes a matter of the Board of Directors or Executive Committee action.

7.02. *Procedure.* Conflict of interest may exist when the interests or activities of any director, officer or staff member may be seen as competing with the interests or activities of MRC, or the director, officer or staff member derives a financial or other material gain as a result of a direct or indirect relationship.

- (a) Any possible conflict of interest will be disclosed to the Board of Directors by the person concerned, if that person is a director or the President of MRC, or to the President, or to such person or persons as he or she may designate, if the person is a member of the staff.
- (b) When any conflict of interest is relevant to a matter requiring action by the Board of Directors, the interested person will call it to the attention of the Board of Directors or its appropriate committee and such person will not vote on the matter; provided, however, any director disclosing a possible conflict of interest may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof.
- (c) Unless requested to remain present during the meeting, the person having the conflict will retire from the room in which the Board or its committee is meeting and will not participate in the final deliberation or decision regarding the matter under consideration. However, that person will provide the Board or committee with any and all relevant information.
- (d) The minutes of the meeting of the Board or committee will reflect that the conflict of interest was disclosed and that the interested person was not present during the final discussion or vote and did not vote. When there is doubt as to whether a conflict of interest exists, the matter will be resolved by a vote of the Board of Directors or its committee, excluding the person concerning whose situation the doubt has arisen.
- (e) A copy of this conflict of interest Bylaw will be furnished each director, officer and senior staff member who is presently serving MRC, or who may hereafter become associated with MRC. This policy will be reviewed annually for the information and guidance of directors, officers and staff members. Any new directors, officers or staff members will be advised of this policy upon undertaking the duties of such office.

7.03. *Loans to Officers and Directors Prohibited.* MRC will not make any loan to a director or officer of MRC. Any director voting for or assenting to the making of any such loan and any director or officer

participating in the making thereof will be jointly and severally liable to MRC for the amount of such loan until repayment thereof.

A director, officer, or committee member of MRC may lend money to and otherwise transact business with MRC except as otherwise provided by the Bylaws, Certificate of Formation, and all applicable laws. Such a person transacting business with MRC has the same rights and obligations relating to those matters as other persons transacting business with MRC. MRC will not borrow money from or otherwise transact business with a director, officer, or committee member of MRC unless the transaction is described fully in a legally binding instrument and is in the best interests of MRC. MRC will not borrow money from or otherwise transact business with the director, officer, or committee member of MRC without full disclosure of all relevant facts and without the approval of the Board of Directors, not including the vote of any person having a personal interest in the transaction.

*7.04. Personnel and Performance Matters.* For the avoidance of doubt, any officer, director, or committee member that is employed by, or is contracted with MRC has a conflict of interest for purposes of any meeting of the Board or any committee thereof, or any discussion within a meeting, involving his or her own performance, employment, or contract, whether such meeting or discussion is held by the full Board of Directors, or by any committee thereof. By way of example but not limitation, meeting and discussion topics that trigger the recusal obligations hereunder may include the following: (a) setting personal goals, (b) evaluating performance, (c) considering disciplinary action up to and including termination, (d) deciding raise or bonus amounts, and (e) discussing or changing a job description. Unless requested to attend such meeting or discussion by the Chairperson of the Board or the Committee Chair, as applicable, the employee or contractor will not attend the meeting (if the sole purpose of the meeting is to discuss the performance, employment or contract matter), or will leave the meeting for such portions of the meeting relating to the individual's performance, employment or contract (if such discussion is part of a meeting that involves additional matters). If the employee or contractor in question fails to recuse himself or herself as required hereunder, he or she will do so upon request of the Chairperson of Committee Chair, as applicable. Furthermore, no subordinate of the recused employee or contractor shall participate in the meeting or discussion of the performance, employment or contract of the recused employee or contractor. In addition, to the extent that the Board or any committee thereof desires to discuss the performance of a director that is not employed by or contracted with MRC (e.g. a volunteer director), the director that is the subject of the discussion shall recuse himself or herself from the meeting or discussion. Following any meeting governed by this Section 7.04, the Chairperson of the Board or the Committee Chair, as applicable, will inform the recused individual that was the subject of the discussion about the outcome of the meeting.

In accordance with this Section 7.04, and for the avoidance of doubt, it shall not be necessary for purposes of satisfying meeting notice requirements under these Bylaws to share with the employee, contractor or director in question, or his or her subordinates, any performance, employment or contract-related information that will be discussed during the meeting or discussion. To the extent of any inconsistency between any provision of these Bylaws and this Section 7.04, this Section 7.04 shall control.

## **ARTICLE 8**

### **INDEMNIFICATION**

Pursuant to Chapter 8 of the Code, the Corporation will provide mandatory and permissive indemnification.

The Corporation will indemnify a governing person or a former governing person against reasonable expenses actually incurred by the person in connection with a proceeding in which the person is a respondent because the person is or was a governing person if the person is wholly successful on the merits or otherwise in the defense of the proceeding, as mandated in Chapter 8, Subchapter B of the Code.

To the fullest extent permitted by law, the Corporation may pursuant to the Code, indemnify a person who was, is, or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a director or other person related to the Corporation as provided by Chapter 8, Subchapter C of the Code governing permissive indemnification. Such indemnification may include, without limitation, advancing the indemnified party his or her reasonable expenses.

## **ARTICLE 9 AMENDMENTS**

These Bylaws may be altered, amended or repealed by the affirmative vote of a majority of the Board of Directors at any Annual, Regular or Special Meeting, provided that the proposed amendment will be submitted in writing with the notice of such meeting at least ten (10) days in advance. Any such amendment must be ratified by the Texas Annual Conference at its next session following adoption of the amendment.

I certify that I am the duly-elected and acting Secretary of Methodist Retirement Communities and that the foregoing Bylaws constitute the Bylaws of the Corporation as amended and restated on May 13, 2022..

\_\_\_\_\_  
Name: Jennifer Poe

Secretary, MRC Board of Directors

Adopted: May 11, 2006

Amended: May 13, 2011

Amended: May 9, 2014

Amended: August 9, 2019

Amended: November 8, 2019

Amended: August 7, 2020

Amended: May 13, 2022

<p>Providence Place Dr. Judith Bell, President &amp; CEO</p>
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Bishop and the members of the Texas Annual Conference, thank you on behalf of our Board of Directors, staff, and those on our campus who are working hard to achieve their own personal level of success. Your dedication in partnership with the ministry of Providence Place is immeasurable.

The year of 2023 marks 128 years of service; all possible because of your loyal and faithful support from individual donors and United Methodist Churches throughout the Texas Annual Conference. Every day, we have the wonderful opportunity to see God's hand in our ministries as the lives of the women, children and families are transformed.

Providence Place works to end the cycle of generational trauma through innovative services and continues to evolve its programs and services to meet the ever-changing needs of those we serve. The world is changing; inflation has caused new uncertainties for many. Families are struggling with the rising costs of gas, food, diapers and formula. Providence Place serves over 2,000 individuals each year; 100% of those we serve are living day-to-day trying to make ends meet.

The relationship between Providence Place and Texas Annual Conference, along with individual donors and individual churches has been lifechanging in so many ways. Together, we have helped young women facing unplanned pregnancies, provided a home for countless young adults, offered hope and restoration for survivors of complex trauma, and created loving homes for children in foster care. What makes our programs unique is our ability to serve women, children and families using a trauma informed care model. This commitment to women and families started with our founder, Madame Volino, when she first sought help from Travis Park Methodist Church in San Antonio and changed her life from a brothel owner to a sanctuary for women and young children in need. Without a doubt, churches and their congregants have played a significant role in the success of Providence Place for 128 years; something we will never forget.

I encourage you to call to arrange a speaker for your congregation or church group, and request offering materials for an annual church offering. We couldn't continue these ministries without you and we would love to come and share the stories of Providence Place! If we could be a resource to you, contact our Mission Advancement Team at (210) 696-2410 or at [mission.advancement@provplace.org](mailto:mission.advancement@provplace.org). Also, please visit our website at [www.provplace.org](http://www.provplace.org) to learn more about these special ministries and to hear first-hand stories from those we have served.

Texas Methodist Foundation  
Rev. Lisa Greenwood, President

Texas Methodist Foundation ended 2022 with deep gratitude for the many investors, philanthropists, borrowers, and leaders we have been blessed to serve in ministry. In 2022 TMF honored Tom Locke for 33-years of service, awarding him the Medallion of Merit at his retirement celebration in November. Over the last five years, TMF has cumulatively invested over \$130.1 million of revenue and endowment distributions in Methodist churches and nonprofits across Texas and New Mexico. During this time of change, and with our new President & CEO, Rev. Lisa Greenwood, we remain steadfast in our commitment to partnering with the Texas Annual Conference of the United Methodist Church, walking alongside congregations, together creating cultures of purpose, generosity, and courage.

Rev. Melvin Amerson and Rev. Mark Woodward are Texas Senior Area Representatives and the primary contact and bridge between congregations, clergy and laity, and Texas Methodist Foundation. As partners in ministry, Melvin and Mark connect members of the Texas Conference to relevant resources available at Texas Methodist Foundation.

TMF, headquartered in Austin, serves Methodist individuals, churches, and agencies within the six annual conferences in Texas and New Mexico. We appreciate the opportunity to report some of the ways we served Methodists last year.

### **Within the Texas Conference**

- Loans to churches in the Texas Conference totaled \$92.3 million at the end of 2022.
- Churches and agencies, not including individuals, within the Texas Conference had \$55.9 million invested in the Methodist Loan Fund.

### **Throughout Texas and New Mexico**

- As of December 31, 2022, total assets under management by TMF were \$647.9 million.
- Methodist Loan Fund investments ended the year at \$312.2 million, and our loan portfolio at \$290.4 million.
- Total gifts to TMF's ministries equaled \$1.2 million, including gifts to Leadership Ministry, Grants, and TMF's Undesignated Endowment.
- Total gifts to TMF for the benefit of others ended 2022 at \$1.8 million, including all planned giving Endowments, Charitable Gift Annuities, Trusts, Donor-Advised Funds.
- In 2022, the TMF Grants Ministry funded approximately \$2.03 million in support of 82 churches and nonprofits. Of that total, TMF granted \$1.49 million from its restricted permanent endowment funds, and the remainder from its operating budget.
- TMF's Leadership Ministry works to equip leaders for deep change through conversations of courage, learning, and innovation. Some of these conversations take the form of ongoing peer groups and others as stand-alone conversations around an adaptive issue. These peer relationships offer fresh perspectives, renew their sense of calling and embolden them for courageous leadership.
- In 2022, 25 clergy from the Texas Conference participated in a TMF peer learning group. To date, 64 clergy from TAC have been a part of a TMF group.
- In March 2023, TMF hosted a gathering exploring innovative ministry with 75+ leaders in Houston, including 15 from the Texas Conference.
- Fueled by the desire to encourage and support, the TMF team of Area Representatives continues to remain steadfast and loyal to those they serve. As walk-beside partners in ministry, the Area Representative team equips and empowers faith communities by providing financial best practices, inspiring cultures of generosity, and cultivating strategies of legacy giving (often initiated by the workshop Putting Your House in Order). Churches who desire to nurture purpose and innovation embrace a process of discernment guided by this question, "What difference is God calling us to make in this time and in this place?" Engaging both informal conversation and contract services church leadership use Holy Conversations (4-6 months with a team of 7-9) and Holy Excavations (half-day workshop with 25-30 people) to explore their call.

### **TMF Board Members**

TMF has submitted the following candidates for re-election to the Texas Methodist Foundation Board of Directors from the Texas Conference:

- Ms. Gene Graham, Layperson, 3-year term (Houston)
- Rev. Dr. Matthew Russell, Clergy, 3-year term (Houston)

TMF Board members previously elected by the Texas Conference include:

- Rev. Morris Matthis, Clergy, currently serving through 2024 (Houston)
- Rev. Dr. Ron Swain, Clergy, currently serving through 2024 (Georgetown)
- Rev. Reggie Clemons, Clergy, currently serving through 2025 (Pearland)
- Rev. Sharon Sabom, Clergy, currently serving through 2025 (Damon)
- Rev. Dr. Deborah Vaughn, Clergy, currently serving through 2025 (Houston)
- Rev. Dr. Richard White, Clergy, currently serving through 2025 (Lufkin)
- Mr. John Esquivel, Layperson, currently serving through 2025 (Houston)

Texas United Methodist College Association  
Michael Hutchison, President

The Texas United Methodist College Association exists to advocate for our Texas Methodist college students attending one of the six United Methodist institutions of higher learning in Texas. Gifts received from our Annual Conference partners are passed along to deserving students through the Texas Methodist Scholarship Program. During the 2022-23 academic year, we awarded over \$172,000 in scholarship support through this program to students at Huston-Tillotson University, McMurry University, Southern Methodist University, Southwestern University, Texas Wesleyan University and Wiley College. These scholarships are given on the basis of financial need and oftentimes make the difference in a student attending college and persisting to graduation. The importance of these specific scholarships cannot be overstated especially given the impact on **access** and **affordability** for those who receive these funds.

The students receiving support through the Texas Methodist Scholarship Program represent a wide range of vocational interests. Attending United Methodist institutions, they have the opportunity to develop their faith and find a career path leading to a life of service and contribution to the greater good. It is our hope that in supporting our Methodist students at our own institutions that they will contribute to the growth of the Church, whether that be as an ordained minister, in another church-related role or as active laity. By encouraging their exploration of faith, we know that some will enter the ministry – whether that be a direct path out of college to seminary or as second-career ministers, which is increasingly the norm.

On behalf of the Texas Methodist Scholarship recipients, we would like to express our appreciation to the Texas Conference for your continued generous support of this vitally important program. To learn more about the Texas Methodist Scholarship Program, the impact on students, and the Texas United Methodist College Association, please visit [www.tumca.net](http://www.tumca.net).

UM ARMY  
Brian Smith, Executive Director

Our Mission

To provide Christ-centered missions that serve people in need and promote spiritual growth and leadership development in youth and young adults.

### Our Vision

Young people growing in Christian faith and transforming the world by serving people in need.

### Our Story

U.M. ARMY started here in the Texas Annual Conference in 1979 when Houston area churches combined their youth groups for a summer youth mission trip to Athens, TX, where they stayed at First United Methodist Church. They spent a week providing free home repairs for people in need in the community. What started as one summer mission trip, has grown into a National organization, with Scott Atnip as Executive Director, with four established regions hosting youth mission trips throughout Texas, Louisiana, and the North Eastern United States. But our mission has remained the same for the nearly half century of ministry: to put youth and young adults in a position to impact the lives of those around them.

As an organization, U.M. ARMY is happy to announce the development and release of a new name in order to better serve those across all faith communities. We will still be “U.M. ARMY,” but it now stands for *United in Mission: Action Reach-out Ministry by Youth*. Everything you know and love about U.M. ARMY has stayed the same.

The region serving the Texas & Louisiana Annual Conferences, U.M. ARMY – TX/LA with Jack Matthews serving as Regional Director, is looking forward to Summer 2023 and the opportunities it will bring. Our goal for the 2023 season is to have youth and adult participants throughout the TAC and LAC at about 25 host churches. With trip options for college groups, high school groups, junior high groups, and our growing mixed age opportunities for groups with 6th through 12th grade students, we have something for everyone!

The 2023 summer will be our 45<sup>th</sup> season of providing summer youth missions. Our success is a result of God’s blessing and our being faithful to God’s call to “raise up a child in the way he should go” and to serve people in need. Our success is also a result of the ongoing support of the Texas Annual Conference and all of the churches that support our program, and for that we are extremely grateful.

The support of the Texas Annual Conference, pastors, churches, and thousands of youth and adult participants has been invaluable in the growth and success of this program. It is no accident that U.M. ARMY had its start in this Annual Conference. The TAC has provided the platform for this organization to expand beyond Texas, to the glory of God. With your continued support, U.M. ARMY will continue to grow and impact the lives of those around us.

<p>Wesley Community Center Ms. Amy Corron, President &amp; CEO</p>
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Throughout the year, the residual effects from the pandemic and inflation continued to impact our clients' well-being. The demand for basic assistance -food, rent, and utilities - remained high. Despite the hurdles, we welcomed many clients, including more children, back in the building.

Facilities Expansion: Due to the increasing interest in Wesley Community Center's workforce development and adult education services, we are embarking on a facilities expansion. A capital campaign is underway to raise \$4.2 million for a new Workforce and Adult Education building. We have currently raised \$1.8 million towards this goal and with plans to begin construction in early 2024. This new facility will allow us to run more of our workforce trainings, GED, ESL, and digital literacy classes to meet the needs of the community.

## **DELIVERING THE MISSION**

### **Services for Adults**

#### **Financial Opportunity Center (Adult Workforce, Education)**

The Financial Opportunity Center achieved the following results in 2022 through early December:

- Over 900 individuals received services in our Financial Opportunity Center, with over 400 receiving one on one coaching
- 88% received all three FOC services, income supports, workforce services and financial services

Selected employment outcomes:

- 307 clients received career/employment coaching
- 88 clients received scholarships for vocational training through our Bridge program
- 48 received recognized credentials

Selected financial outcomes:

- 444 received financial coaching
- 323 increased their net worth
- 396 increased their credit (FICO) score

#### **Other results**

- We launched our Digital Literacy program to close the gap in knowledge of computers and technology. 381 clients received digital literacy/computer assistance.
- Wesley began a customer service training program in partnership with CenterPoint Energy. Clients received 3-week employability workshops at Wesley and can apply for CenterPoint's Call Center jobs.

Wesley received several grants for workforce/adult literacy-related services:

- Harris County Hire Up
- LISC and others for a Digital Literacy program (coaching, training and technology)
- Methodist Hospital and others for a GED program

This additional funding allowed us to add new staff positions and expand our upskilling programs. Wesley now offers preparatory classes for Medical Assistant, LVN, Pharmacy Technician, and Sterile Processing. Clients completing these prep classes earn scholarships to local community colleges to complete their training.



### ***Basic Needs – Emergency Services***

This year, we have continued to see high demand for emergency services. We expect to end the year having provided over 7,000 households with financial assistance. Families are still struggling to find work and to pay their bills due to the rise in costs of gas and groceries.

The food pantry continues to provide high quality, safe and efficient services for thousands of individuals.

As of the end of 2022, we had 145 seniors enrolled in our program. We were able to reopen our in-person seniors program in March of 2022, much to the delight of both seniors and staff. Average daily attendance is around 50 seniors. Seniors have participated in Bingo-cise (exercise bingo), digital literacy, financial seminars, games, dances, and festive holiday parties.

### **Services for Children and Youth**

#### Early Childhood Education

At the end of 2022, Wesley is currently served 102 children in Early Head Start and Pre-K. Wesley was able to provide safe, quality early childhood education for families so parents could continue to work. We held a variety of parent engagement activities monthly.

#### Youth Services

Over the year, we served a total of 86 children, unduplicated. Our numbers of students are back to our pre-pandemic levels. Students participate in after school during the year and summer camp, as well as camp during breaks.

## **INSTITUTIONS OF HIGHER LEARNING REPORTS**

Africa University

*James H. Salley, Associate Vice Chancellor for Institutional Advancement*

United Methodists worldwide celebrated an 'Ebenezer' moment in the ministry of Africa University in 2022, marking 30 years of faithfulness, generosity, growth, and impact within and beyond The United Methodist Church. God's presence and provision in the life of Africa University are evident, thanks to the prayers and generous support of the Texas Conference. Thank you! The Texas Conference invested 85.68 percent of its share of general

church giving to support the day-to-day operations of Africa University. At 83.7 percent overall in 2022, giving to the Africa University Fund (AUF) remained resilient in all five jurisdictions in the United States.

Supported by strong missional engagement and investment by Texas United Methodists and church members across the denomination, Africa University embraced new opportunities as it emerged from pandemic-related restrictions in 2022.

- **Enrollment:** Strategic recruitment and retention initiatives, including blended learning options, technology upgrades, and additional mental health support and financial aid, helped Africa University achieve a total enrollment at 2,791 students in August 2022. Female students comprised 58 percent of the student population and 23 African nations were represented.
- **Academic Growth:** Africa University launched its first new academic unit in almost twenty years—The School of Law—with a pioneer cohort of 20 students pursuing the Bachelor of Laws (Honors) (LLBS) degree program. The institution has five new undergraduate and graduate programs approved for implementation by the Zimbabwe Council for Higher Education (ZIMCHE), the national accreditation and quality assurance agency.
- **Infrastructure expansion:** Construction of a new residence hall for female students at Africa University is ongoing. Funding to build and equip the facility was provided by the East Ohio Conference (EOC). The EOC's *Teach \* Reach \* Bless* campaign raised more than \$1.5 million.

Africa University's year-long 30<sup>th</sup> anniversary program culminated in October 2022 with a gathering of more than 3,000 people at its main campus in Mutare, Zimbabwe. Amidst the commemoration and joyful thanksgiving livestreamed to the world, the Rev. Dr. Peter Mageto was formally installed as the fifth vice chancellor (president) of the institution.

Mageto, a Kenyan and academician specializing in theological ethics, echoed the gratitude of the students, faculty, staff, trustees, and alumni of Africa University for the incalculable sum of answered prayers that are the Africa University story. His inaugural address highlighted the optimism and commitment to purpose that are the foundation of the university's unfolding vision.

"Today, Africa University turns 30. The number 30 is in itself a blessed figure. Thirty was the age of our Lord Jesus Christ when he commenced his ministry here on earth. It gives us great faith to be walking resolutely towards the fourth decade," Mageto said.

Thank you, Texas Conference, for nurturing change leaders and building an enduring legacy through the ministry of Africa University. Let us continue to journey together—learning, leading, and serving God, all the time, everywhere.

Boston University School of Theology  
G. Sujin Pak, Dean

I am profoundly grateful for your partnership, prayers, and support in these challenging times. A year like 2022 makes even more relevant BUSTH's historic and ongoing commitments to peace and justice in equipping transformational leaders. We remain hopeful and vigilant in our continued partnership with you.

## BREAKING NEWS:

- **Students:** Our academic year 2022-23 entering class was among our most diverse, with 88 new students enrolling, 34% of whom are international students.
- **Faculty:** In September we welcomed three new [faculty members](#): James McCarty, Assistant Clinical Professor of Religion and Conflict Transformation; Eunil David Cho, Assistant Professor of Spiritual Care; and Peng Yin, Assistant Professor of Ethics.
- **New Online Degree First Cohort:** BUSTH's first fully online master's degree—the Master of Religion and Public Leadership (MARPL)—welcomed its first students in fall 2022. MARPL seeks students who wish to be prepared for leadership roles that creatively engage the challenges of public life. Learn more at [bu.edu/sth/marpl](http://bu.edu/sth/marpl).
- **Faculty Research:** Prof. Filipe Maia was awarded a Louisville Institute book grant in April, and Prof. Luis Menéndez-Antuña was awarded a grant from the Catholic Biblical Association in August. Other large grants continue to move forward, including the Trauma Responsive Congregations Project led by Prof. Shelly Rambo and supported by the Lilly Endowment, and the Positive Psychology and Formation-Based Flourishing grant led by Prof. Steven Sandage and supported by the Peale Foundation.
- **Scholarships:** This year, we announced free tuition for all residential master's candidates. We continue to offer free tuition to UMC-registered candidates for ordained ministry and leadership fellowships that support students in ethnic, gender, and sexuality studies. New funds include the Research & Teaching Fund and Affirmation & Empowerment Fund as well as the following endowed funds: DEI, Theology & the Arts, and Doctor of Ministry.
- **Accreditation Visit:** BUSTH just welcomed the United Methodist University Senate Review team on February 1-3 for our re-accreditation visit.
- **Online Lifelong Learning:** BUSTH offers online courses for professional and spiritual enrichment of religious leaders. Recent offerings include “Ethics and Video Games,” and “Spiritual Mending for Helping Professionals.” To learn more, visit [bu.edu/sth/oll](http://bu.edu/sth/oll).
- **Development:** Recent accomplishments include endowing the Faith and Ecological Justice Fund, and new funding for student scholarships and academic programs.

## COMMITMENT TO JUSTICE and COMPASSION:

- BUSTH's Office of Diversity, Equity, and Inclusion offers webinars on timely inclusion efforts, such as “[Increasing Participation of Students of Underrepresented Backgrounds](#).”
- This year's [Lowell Lecture](#) topics explore the spiritual dimension of artistic expression. This fall, Dr. Emmett G. Price III highlighted the brilliant resilience and demonstrative hope of Black folk through the lens of two exceptional spiritual beings: Nina Simone and John Coltrane. A diverse panel response fostered rich conversation.
- Work continues to improve accessibility, sustainability, and responsible investing. BUSTH is the first certified Green School at BU and is active in the Green Seminary Initiative.

Candler School of Theology  
Jan Love, Dean

Since 1914, **Candler School of Theology at Emory University** has educated faithful and creative leaders for the church's ministries throughout the world. An official seminary of The United Methodist Church, Candler holds true to the Methodist value of ecumenical openness, enthusiastically welcoming students from more than 42 denominations, with nearly half of Master of Divinity students coming from the Wesleyan tradition, including United Methodist, African Methodist Episcopal, African Methodist Episcopal Zion, Christian Methodist Episcopal, Wesleyan, Free Methodist, Church of the Nazarene, and others. Our student body reflects the diversity and breadth of the Christian faithful, with an enrollment of 417 from 16 countries and 33 states, and 43% persons of color. This diversity is a blessing, enriching our life together and providing a "learning laboratory" for ministry in the 21st century—ministry that cultivates community across difference, welcomes all to contribute and belong, and embodies Christ's love in and among us.

Candler offers six single degrees and ten dual degrees, most of which are available in hybrid or online formats so students can remain rooted in their home communities as they pursue their degrees. Our new hybrid Master of Divinity blending online classes and in-person intensives launches in Fall 2023, and our successful Doctor of Ministry—with its high 87% completion rate—is 90% online. Hybrid and online options are also available in the Master of Religious Leadership and the Master of Religion and Public Life programs. Plus, Candler's Teaching Parish program allows student pastors to earn contextual education credit as they serve their churches. We are excited that these flexible learning formats make a first-rate Candler education possible for even more people who are called to ministry.

Alleviating student debt through generous financial aid is a top priority for Candler. In 2021-2022, we awarded \$7.3 million in scholarship support, with 100% of MDiv students receiving aid. All MDiv students who are certified candidates for ordained ministry in the UMC receive full-tuition scholarships, and all MDiv, MTS, MRL, and ThM students receive a scholarship covering at least 50% of tuition. MDiv students also complete a financial literacy program to strengthen their financial and budgeting skills and reduce debt.

Candler was recently honored as one of 16 theological schools to receive a "Pathways to Tomorrow" grant from Lilly Endowment Inc. The \$5 million grant will support Candler in establishing a set of initiatives to create an interconnected continuum of offerings for the education of pastoral leaders. This will position Candler as a hub of theological learning with multiple entry points, including The Candler Foundry, our innovative program to make theological education accessible to the public, the United Methodist Course of Study, undergraduate classes, and a new venture, La Mesa Academy for Theological Studies. Set to launch in Fall 2023, La Mesa Academy will offer diplomas in pastoral leadership via a two-year hybrid program with courses in Spanish and English. An optional third year of study will be offered to those aspiring to continue to a graduate professional degree at Candler.

This year, we welcomed the Rev. Dr. Brett Opalinski as Assistant Dean of Methodist Studies, a position made available by the retirement of the Rev. Dr. Anne Burkholder. Brett is an elder in full connection in the Florida Annual Conference and most recently served for nine years as senior pastor of Christ Church United Methodist in Ft. Lauderdale. In addition to other pastoral appointments, he has held a variety of leadership roles in the Florida Conference, including chair of the Board of Ordained Ministry. He is deeply committed to working with students in discerning their call, spiritual formation, and guiding them through the commissioning and ordination process.

Candler’s ability to fulfill our mission to provide the church with the faithful and creative leaders it needs depends upon your prayers, partnership, and support. Thank you for the countless ways you advance this essential ministry in the life of our denomination. We invite you to visit us online at [candler.emory.edu](http://candler.emory.edu).

Drew University Theological School  
Edwin David Aponte, Interim Dean

Drew educates and mentors pastors, preachers, deacons, activists, teachers, thought leaders, and change agents. In Fall 2022 Drew welcomed 77 new students, and as of February 2023 Drew has a total enrollment of 408 students. Many Drew students are just beginning their ministry, while others come to graduate theological education with substantial ministry experience. The latter reflects a growing trend among all theological schools in the United States and Canada. During 2022, Drew classes met on campus in Madison, New Jersey, but also some classes met exclusively online, while other met in hybrid fashion, i.e., partially online, partially in-person. This was also the case with chapel worship. This reflects both our ongoing emergence from the Covid-19 pandemic lockdown, but also Drew leaning into what it means to be a global school with a global student population. With 35% of students coming from 28 different countries Drew Theological School is truly global and diverse in theology, vocations, age, as well as racial, ethnic, national, and international identities. Drew’s interdisciplinary degree programs foster out-of-the-box thinking, provide real-world apprenticeships, promotes adaptive leadership skills, and encourages innovation through a team-taught core courses reflecting the integration of the theological disciplines and practices characteristic of the life of faith. The faculty articulated shared values are infused across the teaching and learning at Drew: a commitment to anti-racism; gender and sexual-identity equality; eco-sustainability and environmental justice; and interfaith understanding and cooperation. The Theological School has seen an increase in United Methodist students. Moreover, Drew has many United Methodist Global Fellows who chose to pursue education for ministry at Drew. UMC graduates are serving in conferences across the United States as well as in our regional conferences in Greater New Jersey, Eastern Pennsylvania, and New York Annual Conference.

Duke Divinity School  
Edgardo Colón-Emeric, Dean

Duke Divinity School has continued in its commitment to form ministers of the gospel who will seek God’s justice and mercy. Our faculty have been leaders in the Duke Climate Initiative participating with colleagues from the Nicholas School for the Environment in the event “Pastoral Care for Climate Change: Weaving Together Science and Theology for Justice.” Divinity faculty have also co-taught a university course titled “Let’s Talk about Climate Change,” and welcomed 30 young faith leaders to understand better how to engage their faith communities in the fight for our climate.

The Office of Black Church Studies, commemorating its 50<sup>th</sup> anniversary year, hosted “Justice Ministry Reimagined: Reentry Simulation” for pastors, students, and lay leaders to learn more about how to support people reentering the community after incarceration. We launched the Prison Engagement Initiative with the Kenan Institute for Ethics. Divinity faculty taught a “Trauma Engaged Duke” seminar and led the team Developing Best Practices for Trauma-Informed Teaching and Learning.

We welcomed 226 entering students from 35 different states and eight other countries. The Master of Divinity program gained 88 residential students and 42 in the hybrid program. The Master of Arts in Christian Practice enrolled 13 new students; the Doctor of Ministry, 28; Master of Theology, six; Master of Theological Studies, 22; the Doctor of Theology welcomed six residential. The Certificate in Theology and Health Care welcomed four residential students and 16 in the hybrid program. Across all degree programs, 30 percent of the incoming class identified as a race or ethnicity other than white. Black students made up 18 percent of all students; Latinx students, six percent; Asian students, five percent; and American Indian students, one percent. Fifty-seven percent of students in the incoming class are female.

DDS continued to build on its rich tradition of ecumenical engagement, with Dean Colón-Emeric participating in the Methodist-Roman Catholic International Commission Dialogue meeting with Pope Francis at the Vatican. Student Eliza Love, M.Div.’23, was awarded the \$10,000 Bossey Institute scholarship from the United Methodist Church Council of Bishops to attend the World Council of Church Ecumenical Institute.

Three new associate deans have accepted appointments: Daniel Castelo as associate dean for Academic Formation; Jung Choi as associate dean for Global and Intercultural Formation; and Sangwoo Kim as associate dean for Vocational Formation. Linda Coley has also joined as the executive director for the Ormond Center.

The Ormond Center launched the Community Craft Collaborative to create resources for equipping lay and congregational leaders. The Certificate in Conflict Transformation and Reconciliation provides a learning opportunity for pastors and other church leaders seeking theological and practical skills to foster reconciliation in their congregations and surrounding communities. We celebrate the expansion of our connection to UMC colleges through a partnership with Wesleyan College in Macon, Ga., to enable qualified undergraduates to take courses through the Duke Accelerated Pastoral Formation Program.

Convocation & Pastors' School returned to an in-person format for the first time since 2019 with the theme, ***Creativity & Courage: From Trauma to Tough Hope***. Professional dancers, visual artists, musicians, and scholars guided participants in facing brokenness and sin honestly, as they offered glimpses of "the beauty of holiness."

We continue to be grateful for our partnership with this annual conference. To learn more about Duke Divinity School, please visit our website at [www.divinity.duke.edu](http://www.divinity.duke.edu).

Gammon Theological Seminary  
Candace M. Lewis, President-Dean

Gammon Theological Seminary is the Interdenominational Theological Center's United Methodist constituent member in Atlanta, Georgia. The Interdenominational Theological Center (ITC) is a Christian Africentric ecumenical consortium of seminaries and fellowships that educate students to commit to practicing justice and

peace through a liberating and transforming spirituality to become leaders in the church and local/global communities. Gammon was founded in 1883, bearing the name of the Rev. Elijah H. Gammon, a generous clergyman, businessman, and philanthropist. Rev. Elijah H. Gammon invested and endowed the founding of Gammon Seminary in partnership with Bishop Henry Warren and the Freedman's Aid Society. Gammon has educated Black Clergy for almost 140 years, with graduates serving every level of the church, including Bishops, Superintendents, General church leaders, Conference staff, and Clergy in every jurisdiction. Today, Gammon Theological Seminary is the only predominately Black Seminary of the thirteen approved United Methodist-related Theological Institutions. The ITC's accreditation is with the Association of Theological Schools and the Southern Association of Colleges and Schools Commission on Colleges. Gammon/ITC offers the following degree programs: the Master of Divinity, the Master of Arts in Religion and Education, and the Doctor of Ministry. The support given to The United Methodist Ministerial Education Fund by United Methodist Conferences continues to enable Gammon students to be grounded in the Wesleyan tradition of theological education. Our 17th President/Dean, Rev. Dr. Candace M Lewis, is the first woman to lead the Seminary in our 139-year history. Dr. Lewis and the Gammon staff team continue to lead innovatively in chartering a "Brand New Day" for Gammon's recruitment, retention, research and resources, fund development, and scholarship endowments in her first two years of service.

Our new initiatives and celebrations this year, 2022-2023, at Gammon include:

- **We established The Rev. Walter H. McKelvey Endowed Scholarship Fund with the South Carolina Methodist Foundation.** Dr. McKelvey was Gammon's 14th President/Dean, serving from 1997-2010. Under Dr. McKelvey's leadership, Gammon's enrollment and graduation rate increased, and buildings were renovated. Our initial goal is to raise \$100,000.00. We have already received a matching fund pledge of \$50,000.00 from Dr. Loretta F. McKelvey (wife of the late Rev. McKelvey).
- **Spring 2023 – International Student travel.** Gammon students traveled to Belfast, Ireland, with the North Georgia Conference as a part of the Rethinking Conflict experience. Gammon students also traveled to Johannesburg, South Africa, on the Doctor of Ministry Immersion experience.
- **Commissioned two National Research Projects,** the first one related to the Impact of COVID on UMC BIPOC Clergy in partnership with Wespeth Benefits and Investments – CFWI – Clergy Financial Wellbeing Initiative. The second research project is "Perspectives" The Future of Blacks in the United Methodist Church—public release of research reports of the Gammon Research Institute scheduled for Summer 2023.

The greatest challenge facing Gammon Seminary is the rising cost of theological education and the significant debt our students incur as they answer their call to full-time ministry. Therefore, Gammon is committed to raising a million dollars in the next two years to offer full-tuition scholarships to students called and committed to full-time ministry in the United Methodist Church. We are grateful to this Annual Conference for your support of theological education and your commitment to ensuring pastoral leadership is theologically trained to lead us forward in the Wesleyan tradition.

Perkins School of Theology  
Southern Methodist University  
Bishop Michael McKee, Dean *ad interim*

Perkins celebrates our vital connections with the Texas Annual Conference of The United Methodist Church.

- Forty-six (46) students affiliated with the Texas Annual Conference are enrolled at Perkins, including: 28 Master of Divinity students, 8 Master of Arts of Ministry students, 3 Master of Theological Studies students, 3 Doctor of Ministry students, 1 Master of Theology student, 1 Doctoral of Pastoral Ministry student and 2 non-major students.
- During the 2022-23 academic year, 30 students from the Texas Annual Conference received funding from the PACE (Perkins Annual Conference Endowment) grant, with the average overall financial aid award per student totaling \$4,336.60.
- Thirteen (13) Perkins students from the Texas Annual Conference currently are taking part in internships.

### Enrollment Update

Enrollment at Perkins for the 2022-23 academic year totaled 257 students. The hybrid Houston-Galveston Extension Program, in its fifth year of providing a combination of online and residential classes leading to the M.Div. and M.A.M. degrees, totaled 96 students during the 2022-23 academic year.

### Institutional Highlights

- Craig C. Hill, who became the 11th dean of Perkins School of Theology in July 2016, retired as dean December 31, 2022, due to medical reasons. Hill, the Leighton K. Farrell Endowed Dean and Professor of New Testament, will remain a member of the Perkins faculty until December 31, 2023. During his years at Perkins, he led a thorough study and reorganization of the Office of Enrollment Management, doubling new student enrollment from 2016-17 to 2019-20. Under his leadership, financial aid to students increased by 50 percent. He also reinvigorated the Houston-Galveston extension site as a hybrid program. Hill broadened academic offerings to include the development of the Baptist House of Studies, the Black/Africana Studies and a healthcare chaplaincy program.
- Bishop Michael McKee began his service as Dean of Perkins School of Theology *ad interim* effective January 1, 2023. He will serve until a permanent dean has been named. Bishop McKee previously served as episcopal leader of the North Texas Annual Conference since his election by the South Central Jurisdiction in 2012, from which he retired on January 1, 2023. As interim dean, he will provide leadership development with students and alumni and, at a time of particular challenge within the Methodist denomination, will further strengthen SMU's ties with donors, congregations and institutions within our region as well as nationally.
- Perkins was honored to have Bishop Cynthia Fierro Harvey preach a Chapel service during the first week of classes for our Houston/Galveston in January 2023. That same week, Bishop McKee traveled to Houston to visit with our hybrid students for the first time as interim dean.
- The inaugural William J. Abraham Memorial Lecture took place Oct. 17 in Perkins Chapel, with Dr. Fred Aquino delivering the lecture and a reception following in the Blue Room in Bridwell Library. Bridwell Library (SMU Libraries) and Perkins School of Theology established the annual Memorial Lecture to bring a scholar to the SMU campus each year to engage in a topic related to Abraham's work of the scholar's choosing. Dr. Abraham, 73, died suddenly in October 2021. He was the Albert Cook Outler Professor of Wesley Studies at Perkins from 1995 until his retirement in May 2021.



- Bishop Ruben Saenz Jr. (M.Div. '97; D.Min. '09) was honored as the 2022 recipient of the Perkins Distinguished Alumnus/a Award. Saenz, a native of south Texas and lifelong United Methodist, was elected bishop in 2016 at the South Central Jurisdictional Conference. He currently serves as episcopal leader of the North Texas and Central Texas annual conferences. The banquet, which took place Nov. 14, also recognized the 2021 Award recipient, Evelyn Parker, and the 2020 Award recipients, the Rev. Donald W. Underwood and the Rev. Dr. Sidney G. Hall, III.
- Eight congregations were selected for the second cohort of the Lilly Endowment-funded Testimony HQ initiative to develop thriving congregations through the practice of testimony as community engagement. These congregations were selected from applications submitted from churches within a 350-mile radius of Dallas. The cohort congregations will each receive up to \$5,000 in grant funding to support their Testimony HQ work from January through December 2023. The following year, in 2024, each of these churches will mentor a church selected to participate in the third cohort.
- An anonymous donor gifted to Perkins and Bridwell Library a Heritage Edition of the St. John's Bible. Only 299 copies are being produced, with only a few copies in the State of Texas. Renowned calligrapher Donald Jackson produced the hand-written, hand-illuminated Bible. The volumes are bound – by hand – in a single piece of Italian calfskin leather and adorned with a solid silver clasp. The headbands are handsewn in Pakistan. Each volume is numbered and initialed by Donald Jackson and protected in a burgundy clamshell box.
- Perkins is continuing its curriculum review process, chaired by Dr. Rebekah Miles, as it seeks refinement in its degree programs that will enhance flexibility for students while also providing opportunities to engage with the school's degree concentrations. We hope to implement the revised curriculum beginning Fall 2024.
- Following a formal campus visit by a seven-member review committee in September, the University Senate of the General Board for Higher Education and Ministry provided SMU and Perkins School of Theology a positive recommendation with regard to institutional integrity, well-structured programs, sound management and clearly defined church relationships. This review process takes place once every 10 years.
- Dr. Rebekah Miles and Dr. Ted Campbell were formally installed as the holders of two endowed chairs: Miles as the Susanna Wesley Centennial Professor of Practical Theology and Ethics and Campbell as the Albert Cook Outler Professor of Wesley Studies. Not only do the two chairs involve professorial positions, but the new chairholders also received an engraved desk chair as part of the formal installation ceremony. Miles and Campbell also each delivered a lecture on a topic of their choosing as part of the installation.
- Dr. Bruce Marshall, Lehman Professor of Christian Doctrine, was awarded the 2023 Altshuler Distinguished Teaching Award. Bestowed annually since 2001, the award recognizes four SMU faculty members for their notable commitment to and achievements in fostering student learning. These are teachers whose concerns for higher education go beyond classroom boundaries and often the boundaries of their own disciplines. In student mentoring, in discussions about teaching, and in continuous reflection about their own successes and ways to improve, they represent the highest achievement in reaching the goals of higher education.
- Rev. Dr. Elias H. Lopez (M.Div. '10, D.Min. '18) joined the faculty and staff as Associate Director of the Intern Program. Dr. Lopez brings a strong background in pastoral care and theology to this position. Prior to Perkins, he served as Director of Pastoral Care at Methodist Health System in Dallas, leading a team of 36 chaplains in providing spiritual support to the entire healthcare system.

- We are saddened to announce the death of Kenneth Hart, Professor Emeritus of Sacred Music and former Director of the Sacred Music program from 1987 to 2005. Among his scholarship, he wrote and published the 2014 volume titled *A Day for Dancing: The Life and Music of Lloyd Pfautsch*.

The highlights listed above are reflective of the vibrant engagement of Perkins faculty, staff and students. Our mission is to equip persons for faithful leadership and Christian ministry in a changing church and society; to educate those seeking a deeper understanding of the Christian faith; and to strengthen the church, academy, and world through service, scholarship, and advocacy. We thank our many colleagues, friends and alumni in the Texas Annual Conference of The United Methodist Church for your generous support, including referrals of prospective students.

<p>Saint Paul School of Theology Neil Blair, President</p>
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Educating tomorrow's leaders by offering on-campus, online, and hybrid learning courses at a FLEXible schedule, Saint Paul School of Theology is a seminary serving a diverse community committed to the formation of people for innovative, creative ministry through rigorous academic life. Grounded in the academic study of faith and ministry, theology is practiced in a traditional classroom and in remote spaces. Our contextual curriculum features Ministry Collaboration Groups, Practicums, Spiritual Formation Retreats, and Seminars. Students learn from dedicated faculty, experienced pastors, and community leaders about best ministry practices leaving our graduates with the tools and first-hand experience necessary to meet the needs of a changing world.

We continue to implement the changes the last few years have integrated into our daily lives. Our weekly chapel service utilizes a hybrid format, where participants may join in-person or online, allowing staff and students to come together as one institution where all are invited to create a sacred atmosphere from wherever they are. In addition, Saint Paul offers weekly Spiritual Formation allowing students to engage in spiritual practices led by Rev. Jen Logsdon-Kellogg. Some practices will take us outdoors or to other sacred spaces, and others will have us connect with community leaders.

Saint Paul welcomed over 30 new students for the 2022-2023 academic year. Enrollment remained solid for the Master of Divinity (MDiv) degree program with promising growth on our Oklahoma campus. With COVID-19 restrictions lifted yet monitored, prospective students returned to in-person visits on both campuses, experiencing community meals, worship, and the newly implemented "Hammock ministry" on the Oklahoma campus. The Admissions team continues to expand travel to meet new students, including the Carolinas, Washington, D.C., and various parts of Texas.

This year we have focused on strengthening the Master of Arts in Christian Ministry by creating two specializations: Women, Society, and Church; and Social Justice and Advocacy. In each case, the student takes 22 hours of MACM required courses, and then the remaining 12 hours of the degree are comprised of courses focusing upon the specialization. The two existing specializations, Prophetic Witness and Service; and Deacon Ministries, will continue to be offered as well. The Women, Society, and Church Studies specialization is also available in the MDiv program, as is a specialization in Wesleyan Studies.

Saint Paul staff and faculty continue contributing to the academy, church, and society. This year, we welcomed Rev. Dr. Sharon Betsworth as our new Vice President for Academic Affairs and Dean and Professor of New

Testament. The faculty of Saint Paul School of Theology maintains high standards of scholarship, research, publication, and engagement. Over the past year, their many activities and publications have been so numerous that space permits only sharing selected highlights.

- Rev. Dr. Sharon Betsworth co-authored a journal article with Julie Faith Parker, "'Where Have All the Young Girls Gone?' Discovering the Girls of the Bible through Childist Analysis of Exodus 2 and Mark 5–7," in *Journal of Feminist Studies in Religion* 38, no. 2 (Fall 2022).
- Dr. Casey Sigmon, Assistant Professor of Preaching and Worship and Director of Contextual Education, was the keynote speaker for the United Methodist Church Missouri Preaching Academy "Offering the Word to a Digital World." She published "Failure to Discern the Online/Hybrid Body: A Captivity of the Eucharist" for the special issue of *Currents in Theology and Mission: Eucharist and Online Worship: Toward Extended Theological Reflection*, vol. 50, no. 1 (2023) and published the chapter "Liturgical Authority and the Table in the Christian Church (Disciples of Christ)" in *Liturgical Authority in Free Church Traditions*, edited by Sarah Johnson and Andrew Wymer, Calvin Worship and Witness Series.
- Dr. Joshua Bartholomew, Assistant Professor of Ethics, Church, and Society, led a "Race, Liberation, and Political Economics" series at Second Presbyterian. He also spoke at The Open Table KC on "Race, Liberation, and Economics."
- Dr. Amy Oden, Adjunct Professor of Early Church History and Spirituality, was a guest speaker at numerous events around the country this year, including at a Five Day Academy for Spiritual Formation in Oklahoma, the Beyond Conference in St. Louis, and the Academy for Spiritual Formation in Alabama.

In October, Saint Paul hosted a forum on "Innovative, Creative Ministry" featuring alumni Matt Austin '18, Fabian Gonzalez '20, Bo Ireland '18, Matt Patrick '18, & Abby Peper '22, with each sharing their personal stories of innovation in ministry. In November, Saint Paul Evangelical Society, led by Dr. Israel Kamudzandu, hosted a forum given by Rev. Mike Slaughter, former lead pastor at Ginghamburg Church, on "Spiritual Awakening: the here and the not yet." Later in the year, the Evangelical Society hosted a lecture featuring Dr. Cheryl Bridges Johns, Visiting Professor of Pentecostal Studies and Director of the Global Pentecostal House of Study at United Theological Seminary. And on May 12, Saint Paul again held a hybrid commencement celebration via Zoom, allowing graduates to come together from both campuses with attendees viewing from around the country. During the ceremony, we honored the 2023 Distinguished Graduate Award Winner and Commencement Speaker Bishop Delores J. "Dee" Williamston.

Saint Paul Board of Trustees changed leadership this year as long-time faculty and board member Rev. Dr. Tex Sample concluded his term as chair of the Board. Dr. Amy Hogan, Professor of Education and Dean of the School of Education at Ottawa University, has succeeded him as chair. Dr. Hogan possesses a deep reservoir of experience in teaching, research, and accreditation. In response to President Neil Blair's announcement that he will retire on December 31, 2023, Dr. Hogan appointed a search committee composed of faculty, staff, students, and trustees charged with identifying Saint Paul's next president. The search committee is currently conferring with Saint Paul's constituent groups to prepare the position prospectus that will describe Saint Paul's needs and aspirations to candidates.

In September 2022, Saint Paul School of Theology hosted a review team from the Higher Learning Commission (HLC), one of Saint Paul's primary accreditation agencies, as part of the Seminary's regular reaffirmation cycle. On November 18, 2022, the Higher Learning Commission notified Saint Paul that the Commission "continued the accreditation of Saint Paul School of Theology with the next Reaffirmation of Accreditation in 2028-2029." The Seminary's Board of Trustees also devoted considerable time to improving its governance capacity. For example,

in April 2022, trustees invested a significant portion of their meeting in a facilitated Emotional Intelligence and Trust-Building workshop. The workshop was led by Gail Parker, a noted management consultant who has worked with clients such as KPMG, Goldman Sachs, and Disney, among many others. In October 2022, former executive director of the Association of Theological Schools, Dan Aleshire, offered an overview of demographic and enrollment trends in the nation's seminaries, focusing on how those trends affect institutions' diversity, equity, and inclusion initiatives. As these activities suggest, the Board remains deeply committed to enhancing its capabilities to guide Saint Paul effectively and knowledgeably.

We are happy to report that Saint Paul School of Theology is financially sound. We operate with a balanced budget, no debt, and an endowment 9-10 times the size of our annual expenses. As always, we continue to be grateful for donations from the community that provide technology, scholarships, and evolving academic programs to students. As of the close of 2022, over one hundred alumni and friends of Saint Paul contributed more than \$60,000 to create the Tex and Peggy Sample Endowed Scholarship Fund honoring the life and work of Tex and Peggy Sample. Sustainability has been our focus over the past five years, and we have achieved our goal. Investments in our future bring exciting new opportunities for our students, staff, and faculty. Our significant technological investments have allowed us to maintain a hybrid educational delivery model providing a flexible working arrangement for our students.

We are continuing to enhance our partnership with Zoom and Neat. Late last Spring, in conjunction with our Neat Board electronic whiteboards and Neat Bars, we implemented Neat's newest product, their Neat Bar Pros, in our large classrooms. These new bars are designed to offer a superior video and audio experience in large spaces and the ability to output to multiple large screens to enhance the overall classroom experience significantly. We have rolled out additional Zoom Room Neat Boards in numerous common areas to encourage ad-hoc use of the technology for breakout groups and other miscellaneous meetings between our two campuses and remote students. One of the best features of this technology is its ability to receive automatic real-time over-the-air features upgrades. Several significant enhancements have rolled out this past year, including improved voice cancellation, Zoom Room Breakout Groups, real-time Closed Captions with transcripts, and updated use of AI to split each in-classroom student into their individual zoomed-in Zoom window. In addition, our Neat equipment continuously monitors several environmental factors within our classrooms; air quality, temperature, humidity, VOC, and CO2, as well as being able to tell if the classrooms are occupied and how many individuals are in the room. We can also monitor the audio/video quality and network connectivity in each of our classrooms, as well as the connection quality for all remote students attending the class. We are excited about the additional enhancements that will come to our classrooms from Neat and Zoom over this next year and look forward to our continued partnership with Neat and Zoom on this groundbreaking technology.

Saint Paul School of Theology is blessed to be your partner in ministry and help those seeking to discover more and answer the call. We are grateful for your support of our students and our seminary. May we continue to live into the call of Jesus Christ to be faithful witnesses for generations to come.

Southern Methodist University  
R. Gerald Turner, President

Southern Methodist University (SMU) has served as a nonsectarian institution of higher learning since its founding in 1911 by the citizens of Dallas and the Methodist Episcopal Church, South. SMU's mission is to expand knowledge through research and teaching and to serve as an igniter and facilitator of growth in Dallas and North

Texas. With continued Methodist representation on the Board of Trustees and by welcoming students of all faiths, SMU is reaching a higher level of accomplishment and global recognition in our second century of shaping world changers. Consistent with the University's appreciation of our Wesleyan heritage, SMU voluntarily submits this report to the Texas Annual Conference.

### **Students, faculty, and staff**

Each year SMU continues to attract more academically qualified and diverse students. The 1,639 students of the Class of 2026 entered with the highest grade-point average (3.71) of any previous first-year class. Equally important, nearly a third of these incoming students (32%) identified as being from an underrepresented background. Just over 100 of these new Mustangs had their tuition fully met through SMU's scholarship for high-achieving Texas students who are eligible for federal Pell grants. Most of them (59%) come to Dallas from other states, 38% are homegrown Texans and 3% are international students.

As our incoming students reach new heights of academic excellence, research by our faculty members, graduate students, and even undergraduates benefits our region and the world around us. SMU remains committed to our goal of becoming a Research One (R1) institution in the Carnegie Classification system, which will further elevate our national rankings and reputation.

### **Rankings**

SMU continues to receive strong recognition and high rankings among prestigious reviewers, including:

- Top 20% best national universities by *U.S. News & World Report* (2023). Also cited among the Top Performers on Social Mobility and Best Colleges for Veterans and Best Value Schools (2023).
- Top 12% (No. 94 out of 796) of U.S. public and private universities by the *Wall Street Journal/Times Higher Education* (2022).
- One of the nation's best institutions for undergraduate education by *The Princeton Review's* The Best 388 Colleges and among its 2023 Best Colleges: Region by Region.
- Top 5% best nationwide colleges (91 out of 2,241) by College Factual (2023). Also, SMU alumni ranked among the top 10% in pay for graduates across a range of fields.
- SMU's Perkins Chapel at No. 16 out of 35 of the nation's most beautiful college churches and chapels by College Rank.
- "Higher research activity" as classified by the Carnegie Foundation for the Advancement of Teaching.

### **Capital campaign and research funding**

Momentum is growing as the University moves into the second year of the comprehensive campaign *SMU Ignited: Boldly Shaping Tomorrow*. As of March 1, 2023, donors have contributed over \$991 million to this multiyear \$1.5 billion campaign to attract and support outstanding students and faculty, explore new fields and cutting-edge technologies, and positively impact Dallas and the world beyond.

In fiscal year 2023, SMU received nearly \$46 million in external funding for domestic and global research. Current funding agencies include the National Science Foundation, National Institutes of Health, U.S. Department of Education, U.S. Department of Energy, Google, and Toyota USA Foundation.

### Perkins School of Theology

After six and a half years of service, Craig Hill retired as dean of the Perkins School of Theology on December 31, 2022, but is continuing as a member of the faculty until December 31, 2023. We are pleased to have Bishop Michael McKee '78 serving as interim dean until a successor is brought aboard.

The Caren and Vin Prothro Organ project is fully funded. The 1927 Skinner organ has been restored, and installation of this rare instrument in our Perkins Chapel should be completed by November 2023.

SMU remains grateful for the enduring work of our Perkins School of Theology in the instruction and training of clergy for all Wesleyan traditions and other denominations. We ask for your prayers and continued support as we strive to further our mission to make a positive impact on the world around us.

Southwestern University  
Laura E. Skandera Trombley, President

Southwestern University continues to rank among the best liberal arts institutions in the nation. In 2022, Southwestern rose 13 places in *U.S. News & World Report's* Best Colleges rankings, the biggest single-year jump in school history. The publication ranked the University 85th among national liberal arts colleges and first among national undergraduate liberal arts colleges in Texas. Southwestern also ranked 44th in the social mobility category, which measures how well schools graduated students who received federal Pell Grants.

Southwestern officially closed the class of 2026 in June, marking one of the earliest dates the University has finalized its incoming class in institutional history. A record 5,557 applicants competed for a spot, an increase of 17% over last year. Southwestern ultimately welcomed 436 first-year students for a total enrollment of 1,483 in fall 2022. The University's acceptance rate fell by 7%, and Southwestern also met its academic and diversity goals, with more than 25% of incoming students identifying as Hispanic for the third year in a row.

Our world-class faculty of scholar-teachers celebrated a number of accomplishments in 2022. Ten faculty members received Sam Taylor Fellowships from the United Methodist General Board of Higher Education and Ministry. Jessica Hower (history) published *Mary I in Writing: Letters, Literature, and Representation* and *Writing Mary I: History, Historiography, and Fiction*, a two-volume edited collection. Michael Gesinski (chemistry and biochemistry) was awarded a \$16,000 grant from Organic Syntheses Inc. to fund student research on gold catalysis. Jennifer Stokes (kinesiology) received the 2022 Early Career Award in Education Research from the American Physiological Society Teaching Section.

Our students received several honors and recognitions. Thirty-four students were inducted into Southwestern's chapter of the Phi Beta Kappa honor society. Two students were awarded scholarships from the Texas United Methodist College Association, two students received Benjamin Gilman International Scholarships, and one student was named a Newman Civic Fellow. Three recent graduates were selected as 2022–2023 Fulbright award winners.

In athletics, Southwestern finished second for the SCAC President's Trophy. The Pirates garnered 76 all-conference selections, including 38 first-team selections, 19 second-team selections, and 19 honorable mention selections, as well as four SCAC Coach of the Year awards. The Pirates also earned three All-America honors in

2022 and six All-Region selections. Men's golf won the SCAC Championship. Three programs earned NCAA Tournament bids.

In 2022, Southwestern hosted the 40th Brown Symposium, which featured five distinguished experts who spoke on the theme of attraction. More than 250 students, mentored by 52 faculty and staff, led panels, presented posters, gave performances, and set up exhibitions during the 23rd annual Research and Creative Works Symposium. Southwestern recognized the class of 2022 during its Commencement Convocation in May, with Southwestern alumna and applied mathematician Cassandra M. McZeal '92 serving as the keynote speaker.

### **Ratification of Trustees**

As stated in the University By-Laws, "Conference trustees are nominated by the University's board of trustees, upon recommendation to the board's trusteeship committee, and elected by their respective conferences." Conference confirmation of "trustees at large" is no longer required by the By-Laws. The following names are submitted to the Texas Conference for re-election:

- Dr. Cassandra M. McZeal nominated by the Board of Trustees for election to a three-year term concluding 2027.

### **Conclusion**

I would like to take this opportunity to personally invite you to visit Southwestern and experience, in person, our vibrant intellectual community.

United Theological Seminary  
Dr. Kent Millard, President

United Theological Seminary celebrated rising enrollment in the 2022-2023 academic year. In the previous year, 464 students were enrolled at United; in 2022-2023, the seminary is serving 541 students, a 17% increase. A diverse community of many denominations, races and nationalities, United welcomed students from 36 states, 21 countries, and 43 denominations, with 42% of students identifying as United Methodist.\* The Seminary prepared 103 Course of Study students\*\* and served 10 students through the Hispanic Christian Academy, a 3-year online course of ministry program for Hispanic/Latino lay pastors and leaders serving United Methodist congregations.

### **Houses of Study**

In large part, this enrollment growth is a result of the seminary's House of Study initiative, which is supported by a \$1 million grant from Lilly Endowment Inc.'s Pathways for Tomorrow Initiative. As of 2022-2023, the Seminary has established five Houses of Study that are equipping master's students for the unique ministry needs of the communities, movements and denominations in which they serve:

- Fresh Expressions, directed by Dr. Michael Beck;
- Full Gospel Baptist Fellowship, directed by Bishop Lisa Weah;
- Global Methodist, directed by Rev. Gregory Stover;

- Global Pentecostal, directed by Dr. Cheryl Bridges Johns;
- and Hispanic, directed by Dr. Jorge Ochoa.

The largest of these communities is the Hispanic House of Study (Casa de Estudios Hispana), which is meeting a need for Hispanic/Latino pastors and church leaders ready to pursue a Master of Divinity in their native language. Nearly 50 students from across the United States and Latin America, including students from Mexico, Cuba, Columbia, and Peru, started in the online program in the 2022-2023 academic year.

As United continues to expand its offerings to support church leaders, it is preparing to launch three new Houses of Study in the 2023-2024 academic year: a Korean House of Study, taught 100% in Korean for Korean-speaking students, led by Dr. Seok Jae Jeon; an African Methodist Episcopal Zion House of Study led by Bishop Eric Leake; and a Global Lutheran House of Study led by Dr. Richard Blue, Dr. Tom Thorstad and Dr. Dan Landin.

### **Doctor of Ministry**

The Seminary is also seeing growth in its Doctor of Ministry program. In 2022-2023, the Doctor of Ministry program has grown to 250 students, an increase of 32% over the past five years.\* Doctoral students at United are actively engaged in ministry and seeking to become more effective leaders for the Church through a Doctor of Ministry degree. Students identify a need within their congregations or communities and, with the support of a peer group, mentor and United faculty, they develop a model of ministry to address the challenge.

### **Bishop Bruce Ough Innovation Center**

Launched in Fall 2021, the Bishop Bruce Ough Innovation Center, directed by Rev. Sue Nilson Kibbey, is connecting with pastors, ministry leaders and congregational members hungry to bring God's renewal to their faith communities. In the past year alone, the Innovation Center has engaged more than 1,000 participants through more than 40 live webinars, training events and courses. The Innovation Center has also partnered with The Center for Spiritual Formation, a connectional ministry of the Susquehanna Conference of The United Methodist Church, to offer a two-year online training course for those called to the ministry of spiritual direction. In addition, the Center is partnering with two United Methodist conferences to provide its Breakthrough Prayer Initiative training for all clergy in these conferences. Through these and other new opportunities, the Innovation Center seeks to set the stage for the increased vitality of leaders and congregations everywhere.

Wesley Theological Seminary  
Rev. Dr. David McAllister-Wilson, President

Christian leaders for real-life ministries.

### ***Course offerings and support that respond to students' needs***

Get the education you need in the format you want.

- Pursue your call in a dynamic community within the corridors of power in Washington, DC, or earn a degree through flexible hybrid and online options from your home! Learn more: [wesleyseminary.edu/study/](https://wesleyseminary.edu/study/)
- Our **FlexMA** is a 36-hour flexible M.A. degree for those preparing for bi-vocational or specialized ministries. Learn more: [www.wesleyseminary.edu/flexma/](https://www.wesleyseminary.edu/flexma/)



- **Wesley offers specializations** in African American church leadership, public theology, military chaplaincy, and certifications in Christian studies, children and youth ministry and advocacy, and health ministry. Learn more: [wesleyseminary.edu](http://wesleyseminary.edu)

Wesley provides \$2 million annually in scholarships, including **full-tuition scholarships** for master's applicants recommended by alums, campus ministers, or Christian service ministries; **Next Call in Ministry scholarships** for students working 10+ years in a non-ministry setting; and **Generación Latinx Scholarships** for emerging Latinx leaders in ministry.

Wesley's **Doctor of Ministry programs** includes relevant tracks such as Church Leadership Excellence, Soul Care, Global Church Leadership, Howard Thurman, and the ground-breaking track on Trauma, Moral Injury, and Christian Life. Journey with a cohort of leaders with online classes and hybrid week-long intensive sessions. Learn more: [wesleyseminary.edu/doctorofministry/](http://wesleyseminary.edu/doctorofministry/)

***Research projects support congregational thriving and envision future ministry.***

Over \$11 million in Grants from Lilly Endowment Inc. undergird Wesley's research into and support of congregational thriving and innovation.

- In collaboration with Southern Methodist University Perkins School of Theology, Wesley Theological Seminary is developing professional courses and certificates for pastors.
- The **Wesley Innovation Hub** brings together diverse congregational cohorts to learn and practice ministry innovations that engage young adults for social change. Learn more: [wesleyseminary.edu/wesley-innovation-hub/](http://wesleyseminary.edu/wesley-innovation-hub/)
  - **The Wesley Ministry Innovation Fellowship** is a one-year, cohort-based experience with community formation, spiritual direction, graduate-level courses, and hands-on experience leading innovation. Each innovator earns a stipend and four graduate academic course credits. Learn more: [wesleyseminary.edu/wesley-innovation-hub/design-fellows/](http://wesleyseminary.edu/wesley-innovation-hub/design-fellows/)
- **The Lewis Center for Church Leadership's Religious Workforce Project** offers multi-denominational research into current and future needs. Visit [religiousworkforce.com/](http://religiousworkforce.com/)

***Enrich your congregational outreach and explore new dimensions of ministry.***

**The Lewis Center for Church Leadership** conducts leading-edge research for the local church. Find the **Leading Ideas e-newsletter** and **Leading Ideas podcast**, a weekly resource for over 20,000 leaders, at [churchleadership.com](http://churchleadership.com).

The **Community Engagement Institute** embraces a vibrant vision to be the premier center for churches and faith-based organization engaging their communities.

- The online **Health Minister Certificate Program** prepares congregations for public health work in their parishes. Contact: Dr. Tom Pruski, [tpruski@wesleyseminary.edu](mailto:tpruski@wesleyseminary.edu).
- The **Center for Public Theology** creates spaces for civil dialogue at the intersection of religion and politics. Visit [wesleyseminary.edu/ice/programs/public-theology/](http://wesleyseminary.edu/ice/programs/public-theology/).

**The Henry Luce III Center for the Arts and Religion** explores the intersection of the arts and theology. Visit [luceartsandreligion.org](http://luceartsandreligion.org).

**Stay connected**

Contact us at (202) 885-8659 or [admissions@wesleyseminary.edu](mailto:admissions@wesleyseminary.edu). Follow us on social media— Facebook [wesleyseminary](#), Instagram [@wesleyseminary](#), LinkedIn [wesleytheologicalseminary](#), and Twitter [@WesTheoSem](#).

## HOTEL RESERVATION TAX EXEMPTION FORM

Hotel Reservations are to be made by individuals. The following form is a "Hotel Tax Exemption Form" for use in reducing the tax paid for hotel occupancy. Fill it out and submit it to the hotel **when you check in**.

### Texas Hotel Occupancy Tax Exemption Certificate

*Provide completed certificate to hotel to claim exemption from hotel tax. Hotel operators should request a photo ID, business card or other document to verify a guest's affiliation with the exempt entity. Employees of exempt entities traveling on official business can pay in any manner. For non-employees to be exempt, the exempt entity must provide a completed certificate and pay the hotel with its funds (e.g., exempt entity check, credit card or direct billing). This certificate does not need a number to be valid.*

Name of exempt entity <b>Texas Annual Conference of the United Methodist Church</b>	Exempt entity status ( <i>Religious, charitable, educational, governmental</i> ) <b>Religious</b>
Address of exempt organization ( <i>Street and number</i> ) <b>5215 Main Street</b>	
City, State, ZIP code <b>Houston, TX 77002</b>	

**Guest certification:** I declare that I am an occupant of this hotel on official business sanctioned by the exempt organization named above and that all information shown on this document is true and correct. I further understand that it is a criminal offense to issue an exemption certificate to a hotel that I know will be used in a manner that does not qualify for the exemptions found in the hotel occupancy tax and other laws.

Guest name ( <i>Type or print</i> )	Hotel name
Guest signature 	Date

#### Exemption claimed

*Check the box for the exemption claimed. See Rule 3.161: Definitions, Exemptions, and Exemption Certificate.*

- ☐ **United States Federal Agencies or Foreign Diplomats.** *Details of this exemption category are on back of form.*  
 This category is exempt from state and local hotel tax.
- ☐ **Texas State Government Officials and Employees.** (An individual must present a Hotel Tax Exemption Photo ID Card). *Details of this exemption category are on back of form.* This limited category is exempt from state and local hotel tax. Note: State agencies and city, county or other local government entities and officials or employees are not exempt from state or local hotel tax, even when traveling on official business.
- ☐ **Charitable Entities.** (Comptroller-issued letter of exemption required.) *Details of this exemption category are on back of form.*  
 This category is exempt from state hotel tax, but not local hotel tax.
- ☐ **Educational Entities.** *Details of this exemption category are on back of form.* This category is exempt from state hotel tax, but not local hotel tax.
- ☒ **Religious Entities.** (Comptroller-issued letter of exemption required.) *Details of this exemption category are on back of form.*  
 This category is exempt from state hotel tax, but not local hotel tax.
- ☐ **Exempt by Other Federal or State Law.** *Details of this exemption category are on back of form.* This category is exempt from state and local hotel tax