

# REPORT OF THE ADVISORY COMMITTEE ON DIOCESAN STEWARDSHIP AND PARISH VITALITY

The Advisory Committee on Diocesan Stewardship and Parish Vitality (the “Advisory Committee”) respectfully submits this report of its work.

## 1. Mandate of the Advisory Committee

At the 125th annual meeting of the Convention, on January 25, 2020, the Convention adopted a resolution establishing the Advisory Committee. The resolution was put forward by a group of both clerical members and lay delegates of the Convention, to respond to a need to address parishes experiencing challenges to their ongoing vitality, and to provide for a mechanism for the Diocese to respond to these parishes. The text of the resolution is attached to this Report. The resolution provided for the Advisory Committee to undertake a study of —

- (1) the standards that constitute a viable entity in the Diocese as a parish, separate congregation, or organized mission;
- (2) the standards and processes that should be applied to a parish or separate congregation within the Diocese that would alter the organizational identity and status of that parish or separate congregation, due to financial and secular factors inhibiting that parish or separate congregation from performing its mission and meeting its obligations as a parish or separate congregation under the Canons of the General Convention and the Canons of this Diocese;
- (3) the role of the Diocese in providing support and exercising authority in connection with the circumstances described under paragraph (2) affecting a parish, separate congregation, or organized mission in the Diocese;
- (4) the potential implications of applicable Federal and State law;
- (5) the standards and processes that are applied in other dioceses;
- (6) the effect of any material and continued failure to comply with canonical requirements by a parish, separate congregation, or organized mission; and
- (7) any other matter that the Committee determines is relevant to the study of the matters under paragraphs (1) through (6).

The resolution directed the Advisory Committee to submit a report and any recommendations, including any recommendations for the adoption of specific canonical provisions, to the Bishop, the Diocesan Council, and the Standing Committee by September 30, 2020.

Pursuant to the Resolution, the Bishop appointed the members of the Advisory Committee and it was duly constituted. The Bishop selected the members with the advice of the Standing Committee, and after an open invitation for application by anyone interested in serving. The members appointed met the criteria established by the resolution:

- (1) 5 clerical members and 6 lay members;
- (2) At least one member of a Latino congregation;
- (3) At least one member of a majority African American congregation; and
- (4) At least one member from each region.

In addition to meeting these specific requirements of the resolution, the Bishop also selected members from parishes that were diverse in their history and experiences, to allow the committee to reflect upon the varied experiences of churches in the Diocese. The members of the Advisory Committee are listed at the end of this report. In addition to these appointed members, the Chancellor, the Treasurer and the Chief Operating Officer of the Diocese served as

ex officio members. Following the retirement of the Chief Operating Officer, the Canon for Strategic Collaboration served as the staff liaison.

This document represents the Advisory Committee's report, and is supplemented by a proposal for a canonical provision that has been provided to the Committee on the Constitution and Canons for review and revision.

## 2. The Work of the Advisory Committee

Prior to the first meeting of the Advisory Committee, the Diocesan staff assembled materials for reference by the Advisory Committee. These materials included sample canonical provisions from other dioceses that addressed parishes facing challenges to their ongoing ministry and vitality, anonymous illustrations of parishes within this Diocese facing such challenges, and the seven signs of parish vitality from the Diocesan Strategic Plan. These materials were intended to provide a starting point for a discussion of the items listed in the resolution.

The Advisory Committee met seven times during May, June, July and September 2020. Each meeting was conducted electronically, in view of the COVID-19 pandemic. However, the Advisory Committee also found that the electronic meeting platform was useful because it permitted more frequent and interactive gatherings of the members of the Advisory Committee from across the Regions of the Diocese. The meetings were well attended, and typically included full group discussions as well as breakout sessions.

After the first meeting, the Advisory Committee divided its work into four distinct questions:

- (1) the goal of and need for a process to address parish vitality, and to bring to bear the resources and support of the Diocese;
- (2) the criteria that would define a parish facing vitality challenges and potentially benefiting from diocesan support;
- (3) the process for invoking formal diocesan involvement; and
- (4) procedures for assessment of the parish by the Diocese, and potential diocesan actions.

Prior to each meeting, diocesan staff circulated a draft of materials. Each meeting typically included a review of the draft that incorporated the discussion and deliberations from the prior meeting, and then robust discussion on one of the four questions. During the Advisory Committee's discussions, break-out groups compiled specific issues around each general topic that were considered important to be covered by a canon. These very specific points were recorded, and based on these points, a draft set of concepts was developed. In its subsequent meeting, the Advisory Committee addressed whether the conceptual language in its proposal covered each of these points, and whether the language met the goals of clarity, flexibility, fairness, and effectiveness. The language was then refined based on these discussions. Staff assembled the fruits of each discussion into revised drafts. The Chancellor and the Treasurer of the Diocese participated in the Advisory Committee's discussions, as ex officio members, and also worked with staff and with the Chair of the Advisory Committee to prepare the written materials.

During the period that the Advisory Committee was meeting, members of the Advisory Committee and the diocesan staff also solicited input from others on the subjects being discussed. In particular, input was solicited from the regional Deans during their July meeting, and input was solicited from Diocesan Council at its August meeting. The Advisory Committee also planned for sharing the results of its effort with the Diocese and in advance of formal consideration of a proposal at the 126th annual meeting of the Convention in 2021.

## 3. Proposal of the Advisory Committee

The Advisory Committee is proposing a canonical provision to assist and empower the Diocese in its ministry to support and revitalize all communities of faith, ensuring that they have the necessary capacity to achieve spiritual and financial health. The proposed canon provides a framework for the Diocese to engage with parishes that may be struggling to fulfill their Christian mission and responsibilities. The proposed canon also addresses the case of parishes whose continued vitality or viability as a self-sustaining entity furthering the mission of the Church appears to be at risk, such that a degree of diocesan action or oversight is needed. In all situations, the goal of the proposed canon is to

enable the Diocese to restore the spiritual and financial health of the parish. The ultimate goal is to ensure the overall health of the Episcopal Church in the Diocese of Washington.

#### 4. Specific Components of the Advisory Committee Discussions

The Advisory Committee discussions focused on developing language that was comprehensive, clear, fair, flexible, and effective in addressing situations seen or envisioned in the Diocese. Input from diocesan leaders, including the Regional Deans and Diocesan Council, was important to ensure support for the proposed canonical provision and obtain approval at Diocesan Convention for canonical changes.

The Advisory Committee also considered the proposed canon as a corollary to the revitalization component of the Diocesan Strategic Plan. Authority for diocesan action under the proposed canon includes action steps for the revitalization of parishes in order to improve the overall health and vitality of the Diocese. The proposed canon is structured in terms of standards of health, rather than metrics of deficiencies, and therefore is consistent with the Convention resolution on diocesan stewardship and parish vitality that established the Advisory Committee.

The overall health of the Diocese, with the goal of revitalization where reasonably achievable, is the intent of the Advisory Committee's proposal. This premise reflects the Advisory Committee's view that too much of diocesan leadership's time has been concentrated on difficulties in parishes, but where the Diocese currently lacks formal structures and authority to intervene in effective ways. The time and energy spent on such difficulties and problems have detracted from the time spent toward achieving the Church's mission.

The criteria embedded in the proposed canon were developed by reviewing similar canons of other dioceses, knowledge of the Diocese of Washington, and following best practices for church governance, mission, and financial sustainability. The Advisory Committee thoughtfully considered those factors that should define the need for action steps from the Diocese. For example, if declining attendance was one of the factors that might indicate the need for diocesan involvement, what attendance numbers would indicate a lack of vitality, and how should those figures be evaluated compared to mission or financial viability? Other examples could be reliance on endowments or rent as some specified percentage of the operating budget. All of these factors would work in tandem, but the starting place for the Advisory Committee was establishing clear indicators that showed a parish needed diocesan involvement.

Several key decision points emerged in the Advisory Committee discussions:

- (1) Should specific numbers or percentages be included in the criteria?

The Advisory Committee concluded that flexibility and process were of primary importance, rather than fixed objective criteria. Such an approach would rely on evaluation and discernment about health and vitality by the Diocesan Council and the Standing Committee. The Advisory Committee did not view characterization of a parish based on fixed numerical criteria as best for parishes or the Diocese. To the extent that a parish is significantly below any given criteria that could be defined numerically, the parish will almost certainly fall below one or more other criteria, as well. For example, a low and declining level of average Sunday attendance would presage a difficulty in meeting other standards. This approach avoids a parish being defined by a particular circumstance in which failure to meet a standard is not indicative of its long-term trends health and vitality. Conversely, a failure to meet an important criterion, with indications that it is not a temporary situation, could in and of itself be adequate for various actions steps by the Diocese to assist in revitalization.

The Advisory Committee believes any action steps by the Diocese should be based upon trends within the life of a parish, because noticeable trends allow for more effective assessment of a parish's overall health and informs the right level of action and support by the Diocese. The Advisory Committee's proposal specifically provides for early action by the Diocese where trends predict serious problems but does not necessarily require action where an issue was of a temporary nature. The goal of the proposed canonical provision is to restore parishes to health, where possible, and to allow diocesan action at a point where revitalization could be accomplished.

In addition, the Advisory Committee's view was that the health and vitality of a parish, along with any support or action needed by the Diocese to assist in revitalization, should be evaluated based upon: an assessment of

a committee appointed by the Diocesan Council; a subsequent review of the report and recommendations submitted by the appointed committee; participation by the parish, including its right to meet with the Standing Committee, in said assessment; and, any action steps by the Diocese requiring the direction and approval by the Bishop, Diocesan Council and Standing Committee. Unlike examples of canons from other dioceses that vested unilateral decisions in the Bishop or Ecclesiastical Authority, and emphasized remedial steps, the recommendation of this Advisory Committee focused on the overall health of the Diocese – with a range of options from support and revitalization through to church closure. This approach is designed to ensure a thorough and independent review, taking into account the defined criteria.

- (2) Should there be an automatic invocation of the canon if a certain number of the standards of vitality were not met?

The Advisory Committee is of the view that an automatic activation of the canon would not be advisable. The proposed canon is based upon a balance between flexibility and clarity. A thorough review under the canon by an objective and independent committee is, in the Advisory Committee’s view, a more effective way to evaluate health and vitality of a parish, whether actions steps are needed, and how a parish can be revitalized. In addition, a particular parish may experience an event or period in which it does not meet the standards of a healthy parish, but that event or period are due to special circumstances that do not appear likely to continue and/or are being effectively addressed.

- (3) Does the proposed canon adequately identify the criteria in the recommendation?

Not only did the Advisory Committee review standards and canons from other dioceses across The Episcopal Church, it also received from diocesan staff a list and description of faith communities in the Diocese of Washington that are facing financial or sustainability challenges. It should be noted that this list removed the specific name of the faith community, as well as substantially changed identifying information about the congregation so as to make the parish essentially anonymous to the Advisory Committee. Having reviewed the standards of the proposed canon in light of the very real, lived experience of various faith communities within our diocese, and having received input from the regular and ex officio members of the Committee – the sum total of which amounted to an impressive depth of lay and clergy leadership experience in various faith communities and on diocesan leadership bodies – the Committee concluded that the recommended criteria not only adequately cover the set of challenges and opportunities in the various faith communities of the Diocese of Washington, at present, but also leave open the possibility of new and expanded creative applications.

- (4) Should the criteria be articulated in the negative or in the positive?

The Advisory Committee reviewed examples of canons from other diocese, which were based on failure to achieve certain criteria. Instead of following those examples, the Advisory Committee recommends that the canon for the Diocese of Washington be formulated based upon signs of health and vitality –to define expected standards healthy, vibrant parishes, rather than defining a parish as ‘imperiled’ or ‘distressed,’ as is done in other dioceses, and at the same time, providing actions steps that could lead toward revitalization, where possible. The canonical provision for action provides the leadership of the Diocese of Washington with a means to actively engage with parishes that need external assistance to achieve health and vitality.

- (5) How should the use of endowment funds or collateral income sources be evaluated in assessing financial sustainability?

The Advisory Committee was of a view that endowment funds or rental income should not be the primary means for funding the operating budget, but that there are circumstances where collateral income sources are consistent with a healthy parish. The proposed canon is designed to allow flexibility in making this determination. A parish may, for example, be subsidizing its revenue and prudently utilizing its facilities as a community center or otherwise consistent with its mission. If a parish is relying predominantly on revenue from building usage to support its operating budget, however, it is not likely to meet other standards of health and vitality, such as broad based plate and pledge revenue. The Advisory Committee viewed the use of endowment

funds as having two aspects. First, the use of income on a planned basis is a prudent financial approach, but if endowment revenues are a disproportionate component of the operational budget, it is likely that the parish will be deficient in other criteria, as well. Secondly, the Advisory Committee was of a consensus that use of endowment (or other long term asset) principal should be allowed only in limited circumstances and not in a way that jeopardized the ability to maintain an adequate level of principal for the future of the parish. For example, a parish might have a need for a capital expense related to its building or some other circumstances not related to the operating budget. A parish may have a need to draw on its principal to implement a strategic plan where an opportunity for revitalization exists and the investment is demonstrably sound. Again, the Advisory Committee believes that the recommended standard provides adequate guidance for healthy use of collateral revenue, assessable in the overall context of the canon.

### (6) Parish Leadership

In doing its work, the Advisory Committee took into account the revitalization component of the Diocesan Strategic Plan, including the signs of parish vitality. The Advisory Committee is of the view that the proposed canon is consistent in concept with the strategic plan and articulated in a way will be functional for the long-term. The vital signs of the strategic plan specifically include a description of effective leadership as ‘inspiring and capable.’ The Advisory Committee, in evaluating the language for governance standards, considered the need for language on leadership, covering those areas in which issues in leadership can lead to serious problems. For example, it is clear from looking around the diocese that a lack of a good working relationship between clergy and vestry often leads to significant challenges for a parish. The Advisory Committee was of a consensus that the key elements of effective governance in terms of leadership were ‘engaged and transparent clergy and vestry leadership.’ The Advisory Committee believes that naming clergy and vestry specifically is important, reflecting the significance of each of their parts in parish vitality and governance.

### (7) What is the role of stewardship?

The Advisory Committee is of the view that stewardship encompasses a number of aspects, including responsible use and maintenance of Church assets, prudent use of financial resources, and support and involvement by parishioners. The Advisory Committee thought it particularly important to define parishioner involvement as encompassing both financial giving and participation in the life and programs of the Church. Language is included to reflect two explicit components: (i) that giving be broad-based, so that parishes are not relying on a few members to support the operating budget; and (ii) that leadership conduct regular outreach to members to encourage giving and involvement in parish life. The Advisory Committee viewed an intentional and systematic approach to contacting members as particularly important – both as to pastoral care and to the very important element of active participation in Church programs and mission.

Consideration was also given to the responsibility of parishes in giving to the Diocese, and whether specific mandates or assessments should be required of parishes in their annual contributions. The Advisory Committee concluded that, while giving to the Diocese is an important parish obligation to the overall health and vitality of the Diocese, any specific level of commitments was beyond the scope of the Advisory Committee’s mandate and would involve significant discussions and broad involvement of diocesan leaders on this topic. Recognizing the significance of parish giving to the Diocese, the Committee recommends that healthy stewardship include giving to the Diocese in accordance with diocesan standards.

### (8) Invoking the Canon

The Advisory Committee recommends that the canon may be invoked by the Bishop, by the Standing Committee, or by any regular or ex-officio member of the Diocesan Council – and that Diocesan Council would then decide whether to proceed with the next steps under the proposed canon. The Advisory Committee gave consideration to having others (wardens, vestries, and/or parishioners, for example) be able to petition for an assessment, but concluded that an overly wide range of petitioners could result in petty disputes, inadequately prepared petitions, or other inappropriate complaints being brought to Council. Conversely, the Advisory Committee viewed it important to ensure that situations meriting diocesan involvement have

several means to petition. Ordinarily, the Bishop would be in the best position to be aware of situations where it would be appropriate to raise issues under the proposed canon. Working with diocesan staff, the Council and Standing Committee, and with the parishes, and through parish reporting under the Manual of Business Affairs, the Bishop and diocesan staff will ordinarily be directly familiar with the issues that are the subject of this canon. The Bishop's ability to petition also provides the opportunity to explore – with the clear implication that an assessment could be mandated – and potentially address the issues with the authority that is not available at present. The Advisory Committee also noted the regular information flow to the Bishop – directly and through diocesan staff – that would ensure proper vetting and analysis enabling any petitions to be well-prepared and allowing efforts to resolve a situation without the need for canonical action. In addition, the Advisory Committee felt that it was important that petitions not be limited to initiation by a Bishop. Thus, Standing Committee or Diocesan Council members could initiate action under the canon, providing an effective balance in the diocesan oversight structure as well as a means for reaching out to governance representatives to ensure that appropriate issues are given attention. The Regional Deans, for example, could request the appropriate member of diocesan staff (such as the Canon for Strategic Collaboration) bring a particular parish to the Bishop's attention. Lay or clergy leaders in a parish, or a Regional Dean, could contact Council or the Standing Committee, as well as the Bishop and diocesan staff, if they felt a parish needed attention. The Advisory Committee was of a view that this approach provides multiple means of requesting as assessment by Council and adequate controls over the process. While the Bishop is central to the proposed canon, the Advisory Committee affirmed the importance of involving the Diocesan Council as essential to fairness, objectivity and good governance. In particular, Council includes both clerical and lay members, consistent with the traditions of governance in The Episcopal Church.

(9) Parish Participation Under Proposed Canon

The Advisory Committee thought it important that parishes which are the focus of a health and vitality assessment be expected to participate in that assessment. The Advisory Committee felt participation should be expressed broadly, but include interviews with clergy and lay leaders of a parish, access any and all records of the parish (financial and programmatic reports, both electronic or hard copy, correspondence, and other information that would provide insight and as requested by the Assessment Committee), as well as interviews with external advisers to the parish. The Advisory Committee also viewed a parish's unwillingness to participate – which has been observed in some cases in the Diocese – as itself sufficient reason for further action by the Diocese as Diocesan Council determines appropriate.

The Advisory Committee also deemed it important that a parish, subject of a petition for assessment, be entitled to appear before Council as the petition is being considered in order to explain any circumstances that the parish leadership views as important to any decisions on canonical action. Affording this opportunity to meet with diocesan leadership bodies would also enable Diocesan Council to make fully, well-informed decisions as to any petition, including the ability to recommend any actions steps under the canon. The Advisory Committee also viewed as important the cooperation of a parish in every aspect of the review process, including its opportunity to appear before the Council or Standing Committee.

(10) Composition of the Assessment Committee

Under the proposed canon, Diocesan Council takes action by forming a committee to review the circumstances of a parish. The Advisory Committee recommends latitude on the part of the Council in the composition of the committee appointed to assess a parish's health and vitality under the proposed canon, but at the same time, that Council ensures that any committee is objective and adequately reflects the Diocese. Thus, the Advisory Committee recommends minimum criteria for committee appointments, including a balance between clergy and lay persons, at least one member of a regular committee of the Diocese, diocesan staff as appointed by the Bishop (to ensure the right level of expertise and direct knowledge of parish situations), one of more Regional Deans to act in advisory capacity as appropriate, and a clergy or lay representative from a different parish, which could be within or without the region of the parish under review, so that all perspectives would be available for an effective, objective and fair review.

(11) Health and Vitality Measures.

Recognizing that the goal of the canon is to help support and revitalize communities of faith in the Diocese of Washington, the Advisory Committee discussed and delineated a robust series of health and vitality measures. The Advisory Committee outlined seven (7) potential measures, ranging from counseling and covenant to a comprehensive change in parish status. The Advisory Committee did not intend that the range of such measures be strictly linear in nature; that is to say, it is not necessarily the case that the first measure precedes the second, and so on. Nor did the Advisory Committee intend that one measure is exhaustive of another. In fact, several measures can be applied together, or subsequently. For that reason, the Advisory Committee noted that the Diocese, as such, may require the application of one or more of the following health and vitality measures (which shall be considered independent measures with no requirement of exhaustion of certain measures before the application of others). Finally, the stated measures also leave open the possibility that there may be actions necessitated which the framers of the canon did not envision or anticipate. Thus, there is included a provision that the bishop, together with the consent of the Standing Committee, may envision and require additional steps or measures, not otherwise delineated in the present canon, in order to revitalize the faith community.

Respectfully Submitted,

The Rev. Sheila McJilton, Chair, St. Philip's Laurel

Linda Baily, Grace Church Silver Spring

The Rev. Javier Garcia Ocampo, Ascension Gaithersburg

Allison Hinds, Holy Comforter

The Rev. Christian Lehrer, St. Paul's Baden

Audrey Pabs-Garnon, St. Matthew's/San Mateo

The Rev. Michele Morgan, St. Mark's, DC

Thomasina Rogers, St. Thomas, P.G. County

The Rev. Greg Syler, Ascension, Lexington Park/St. George's, Valley Lee

Janis Smith, St. Mark's, Fairland

Andrea Thomas, St. George's DC

# ATTACHMENT – RESOLUTION

## RESOLUTION

To provide for the establishment of an Advisory Committee on Diocesan Stewardship and Parish Vitality and for other purposes.

*Resolved,*

### SEC. 1. ESTABLISHMENT OF ADVISORY COMMITTEE.

There is established the Advisory Committee on Diocesan Stewardship and Parish Vitality (in this Resolution referred to as the “Committee”).

### SEC. 2. MEMBERSHIP.

- (a) APPOINTMENTS.— Not later than March 1, 2020, the Bishop with the advice of Standing Committee shall appoint 11 members to the Committee, of whom—
  - (1) 5 shall be clerical members of the Convention;
  - (2) 5 shall be lay communicants of this Diocese in good standing; and
  - (3) 1 shall be either a clerical member of the Convention or a lay communicant of this Diocese in good standing.
  - (4) Among those members listed in paragraphs (1) – (3), at least one shall be a member of a Latino congregation of the Diocese
  - (5) Among those members listed in paragraphs (1) – (3), at least one shall be a member of a Majority African American congregation of the Diocese
  - (6) Among those members listed in paragraphs (1) – (3), at least one shall be at least one member from each region of the Diocese.
- (b) EX OFFICIO MEMBERS.— The Chancellor of the Diocese, Treasurer of Convention, and the Chief Operating Officer shall serve as ex officio members of the Committee without vote.
- (c) CHAIR.— The Bishop shall designate 1 of the members appointed under subsection (a) as Chair of the Committee.
- (d) TERMS.— The term for each appointment shall end with the termination of the Committee.
- (e) VACANCIES.— If a position on the Committee is vacant or a member of the Committee becomes unable to serve, the Bishop may appoint a replacement member for the remainder of the applicable term.

### SEC. 3. STUDY AND REPORT.

- (a) IN GENERAL.— The Committee shall conduct a study of—
  - (1) the standards that constitute a viable entity in the Diocese as a parish, separate congregation, or organized mission;
  - (2) the standards and processes that should be applied to a parish or separate congregation within the Diocese that would alter the organizational identity and status of that parish or separate congregation, due to financial and secular factors inhibiting that parish or separate congregation from performing its mission and meeting its obligations as a parish or separate congregation under the Canons of the General Convention and the Canons of this Diocese;
  - (3) the role of the Diocese in providing support and exercising authority in connection with the circumstances described under paragraph (2) affecting a parish, separate congregation, or organized mission in the Diocese;

- (4) the potential implications of applicable Federal and State law;
  - (5) the standards and processes that are applied in other dioceses;
  - (6) the effect of any material and continued failure to comply with canonical requirements by a parish, separate congregation, or organized mission; and
  - (7) any other matter that the Committee determines is relevant to the study of the matters under paragraphs (1) through (6).
- (b) REPORT.—
- (1) IN GENERAL.—
    - (A) SUBMISSION.— Not later than September 30, 2020, the Committee shall submit a report on the study conducted under subsection (a) and any recommendations to the Bishop, the Diocesan Council, and the Standing Committee.
    - (B) EXTENSION OF SUBMISSION DATE.—
      - (i) REQUEST FOR EXTENSION.— The Committee may submit a request to the Bishop for an extension of the date for the submission of the report.
      - (ii) AUTHORITY TO EXTEND.— The Bishop may grant 1 or more extensions under this paragraph.
  - (2) CANONS.— If the Committee includes a recommendation to amend the Diocesan Canons, the Committee shall address the specific Canons to be amended and provide a detailed recommendation of the policy that should be implemented.

#### **SEC. 4. TERMINATION.**

The Committee shall terminate on the day following the last day of the Diocesan Convention held in calendar year 2021.