

REPORT OF THE COMMITTEE ON THE CONSTITUTION AND CANONS FOR THE 126TH ANNUAL CONVENTION

PART I

DIOCESAN STEWARDSHIP AND PARISH VITALITY

On January 25, 2020, the 125th Convention passed a resolution that established the Advisory Committee on Diocesan Stewardship and Parish Vitality and provided for the Advisory Committee to submit a report and any recommendations to the Bishop, the Diocesan Council, and the Standing Committee. The Advisory Committee made several proposals that required amendments to the Canons. The proposals were forwarded to the Committee on the Constitution and Canons to draft the formal legislative text for amendment.

The Committee on the Constitution and Canons commends the Advisory Committee on the timely, difficult, and thoughtful work it performed in creating and communicating their policy objectives. Particularly, the Committee thanks the Reverend Andrew Walter, the Canon for Collaboration and Administration and John Van De Weert, the Chancellor of the Diocese, for their invaluable service in attending meetings of both committees and facilitating communication between the committees.

The Committee on the Constitution and Canons drafted a proposed Canon 54 to be added to the Diocesan Canons. An explanation by the Advisory Committee of proposed Canon 54 and the policy considerations in the formulation of the proposal appears on pages through

of the Convention booklet. The text of Canon 54 which may be submitted to the Convention at a future meeting is as follows:

Resolution

[Not proposed for a vote at the meeting of January 30, 2021]

Resolved,

SEC. 1. PURPOSES.

The purposes of Canon 54 are to—

- (1) ensure the overall health of the Episcopal Church in the Diocese of Washington;
- (2) strengthen the Body of Christ in the Diocese of Washington by helping support and revitalize all Episcopal communities of faith, ensuring that those communities have the necessary capacity to achieve spiritual and financial health;
- (3) enable the Diocese of Washington to act as a source of guidance and strength for those communities of faith; and
- (4) establish a process for the Diocese to —
 - (A) make a determination of whether the continued vitality or viability of a parish as a self-sustaining entity furthering the mission of the Episcopal Church is in jeopardy to the extent that Diocesan oversight or intervention is necessary; and
 - (B)
 - (i) engage with any parish that may be struggling to fulfill its responsibilities;
 - (ii) provide advice, assistance, oversight, intervention, or other involvement; and
 - (iii) if feasible, accomplish the goal of restoring the spiritual and financial health of the parish.

SEC. 2. DIOCESAN STEWARDSHIP AND PARISH VITALITY.

The Canons are amended by inserting after Canon 53 the following:

“CANON 54

“DIOCESAN STEWARDSHIP AND PARISH VITALITY

“SEC. 5401. DEFINITIONS.

“In this canon:

- “(1) COMMITTEE.— The term ‘Committee’ means a Committee on Assessment of Health and Vitality appointed under section 5405.
- “(2) RECTOR.— The term ‘rector’ includes an interim rector and a priest-in-charge.

“SEC. 5402. APPLICATION TO PARISHES AND SEPARATE CONGREGATIONS.

- “(a) PARISHES.— This canon shall apply to each parish in the Diocese.
- “(b) SEPARATE CONGREGATIONS.— This canon shall apply to each separate congregation in the Diocese by substituting the term ‘separate congregation’ for the term ‘parish’ each place that term appears.

“SEC. 5403. INITIATION OF VITALITY ASSESSMENT.

- “(a) IN GENERAL.— An assessment may be initiated under this section to determine—
 - “(1) the financial health, governance, mission, and vitality of a parish; and
 - “(2) whether any action of oversight or intervention by the Diocese is recommended.
- “(b) REQUEST FOR ASSESSMENT.— A request to conduct an assessment of a parish may be submitted to the Council by—
 - “(1) the Bishop;
 - “(2) the Standing Committee; or

“(3) any member of the Council, including any ex officio member of the Council.

“(c) COUNCIL APPROVAL OR DISAPPROVAL.— The Council shall approve or disapprove any request.

“SEC. 5404. CONSIDERATIONS FOR ASSESSMENT OF PARISH VITALITY AND VIABILITY.

“In conducting any assessment of parish vitality and viability of mission and operational capacity, a Committee shall consider whether that parish—

- “(1) is in compliance with requirements of the Canons and the canons of this Church, including—
 - “(A) the adoption of parish bylaws in compliance with section 4702 through 4708;
 - “(B) compliance with the bylaws of that parish;
 - “(C) compliance with section 4901 in the encumbrance or alienation of church property;
 - “(D) compliance with section 5202 and 5203 in the maintenance of the parish register and parish records; and
 - “(E) a reasonable expectation that it will function autonomously as a parish as evidenced by the payment of—
 - “(i) the parish operating expenses; and
 - “(ii) an appropriate annual financial commitment to the Diocese under section 5103;
- “(2) is in compliance with the requirements of any law of the Federal Government or the applicable State or local government, including any requirement relating to—
 - “(A) the registration and maintenance of a corporation; “(B) employment;
 - “(C) health and safety; or “(D) taxation;
- “(3) receives annual revenues sufficient to support operations based primarily on congregational plate and pledge offerings balanced with other sources;
- “(4) provides for the payment of the salary, pension contribution, and health insurance premiums of a rector consistent with the Diocesan Personnel Policies and Guidelines;
- “(5) maintains adequate staff support by the payment of the salary, pension contributions, and health insurance premiums of employees consistent with the Diocesan Personnel Policies and Guidelines;
- “(6) meets all debt obligations;
- “(7) manages and preserves long-term assets for the future needs of the parish; “(8) maintains faith formation programs and outreach programs;
- “(9) is in compliance with the Episcopal Church Manual of Business Methods in Church Affairs to prevent or mitigate risks and ensure the financial stability and protection of parish assets and resources, including—
 - “(A) preparation of financial statements; and
 - “(B) maintenance of financial records, internal controls, budgeting, and audits;
- “(10) practices effective stewardship, including—
 - “(A) broad-based congregational giving and communication with all members for giving and participation in all aspects of congregational life;
 - “(B) the maintenance of buildings and facilities;
 - “(C) adequate insurance to protect properties and individuals; and
 - “(D) prudent use of resources in the service of obligations and mission;
- “(11) is governed by capable clergy and vestry leadership that—
 - “(A) participates in the Diocesan Convention and other governance bodies;
 - “(B) participates in training and leadership programs; and

“(C) provides to the Diocese accurate and timely parochial reports, audits, and other informational filings; and

“(12) supports the mission of the Church as evidenced by—

“(A) maintaining church attendance levels adequate to support the work, administration, and life of the parish;

“(B) maintaining appropriate numbers of confirmations, receptions, and baptisms and multi-generational membership to support the parish;

“(C) maintaining ministries relating to welcoming and connecting with the community in which the parish is located, including programs and activities within that community; and

“(D) participation by members of the parish in parish and Diocesan activities.

“SEC. 5405. CONDUCT OF VITALITY ASSESSMENT.

“(a) COMMITTEE ON ASSESSMENT OF HEALTH AND VITALITY.— If the Council approves a request submitted under section 5403, the Council shall appoint a Committee on Assessment of Health and Vitality to—

“(1) conduct an assessment of the financial health, governance, mission, and vitality of a parish; and

“(2) submit a report to the Council that includes recommendations of actions to be taken by the Council.

“(b) MEMBERSHIP.—

“(1) IN GENERAL.— The Committee shall consist of —

“(A) any number of clerical individuals; and

“(B) lay individuals of an approximate number of the clerical individuals appointed.

“(2) CANONICAL COMMITTEE REPRESENTATION.— The appointments under paragraph (1)(A) and (B) shall include 1 or more individuals who are members of any of—

“(A) the Committee on Finance for the Diocesan Council;

“(B) the Committee on Investments for the Diocesan Council;

“(C) the Committee on Audits of the Diocese for the Diocesan Council; or “(D) the Committee on the Constitution and Canons.

“(3) PARISH REPRESENTATION.— At least 1 of the lay or clerical individuals appointed under paragraph (1)(A) and (B) shall be—

(A) a cleric serving or employed in another parish in the Diocese; or

(B) a member of the vestry of another parish in the Diocese.

“(4) CHAIR.— The Council shall appoint the Chair of the Committee.

“(5) TERMS.— A member of the Committee shall serve until the termination of the Committee.

“(6) VACANCIES.— If a position on the Committee is vacant or a member of the Committee is disabled, the Council may appoint a replacement member to serve until the termination of the Committee.

“(c) CONSULTANTS.— Subject to the approval of the Council, the Committee may pay for the services of any consultant to assist the Committee in the conduct of the assessment.

“(d) AUTHORITY OF THE COMMITTEE.— In conducting the assessment the Committee may—

“(1) hold meetings, including meetings with interested persons;

“(2) submit oral or written inquiries to any individual, including any—

“(A) cleric employed by, or serving, the parish that is being assessed; “(B) lay leader of that parish, including any vestry member;

“(C) employee of that parish;

- “(D) individual employed by, or serving as an advisor to that parish, including any attorney, accountant, or auditor; or
- “(E) member of that parish; or
- “(3) access any record, including any—
 - “(A) financial record, banking record, or audit;
 - “(B) agreement, contract, or any document establishing an obligation of that parish;
 - “(C) real property record, including any deed, lease, easement, covenant, or encumbrance;
 - “(D) employment record;
 - “(E) report or filing required by any law of the Federal Government or the applicable State or local government;
 - “(F) record relating to litigation involving the parish; “(G) correspondence; or
 - “(H) electronic file or email account.
- “(e) REQUIREMENTS OF PARISH IN CONDUCT OF ASSESSMENT.—
 - “(1) IN GENERAL.— Each individual described under subsection (d)(2) shall—
 - “(A) participate in the conduct of the assessment;
 - “(B) promptly, fully, and accurately respond to any inquiry of the Committee; and
 - “(C) promptly provide access to any record requested by the Committee.
 - “(2) NONCOMPLIANCE.— Any noncompliance with the requirements of paragraph (1) may be used in the assessment, determinations, and recommendations of the Committee, including expediting the final report under subsection (f)(3).
- “(f) REPORT AND RECOMMENDATIONS.—
 - “(1) IN GENERAL.— The Committee shall submit a report to the Ecclesiastical Authority and the Council on its findings and recommendations relating to the assessment of the financial health and vitality of the parish.
 - “(2) BASIS OF ASSESSMENT.— The assessment shall be based on—
 - “(A) substantial compliance with the considerations under section 5404;
 - “(B) the significance of any deficiency relating to those considerations;
 - “(C) the severity or patterns of deficiencies relating to those considerations;
 - “(D) any deficiency relating to those considerations that continues or worsens over a period of time;
 - “(E) the presence or absence of parish commitments to realistic remedial actions to address any deficiency relating to those considerations; and
 - “(F) compliance with the requirements under subsection (e).
 - “(3) EXPEDITED REPORT.— The Committee may submit an expedited final report to the Ecclesiastical Authority and the Council if at any time during the conduct of the assessment, the Committee determines that there is sufficient evidence applying any of the factors under paragraph (2) that prompt action by the Diocese is necessary—
 - “(A) for the success of a revitalization plan; or
 - “(B) to protect any assets or resources that are in jeopardy of loss that may be avoided.
 - “(4) REVITALIZATION PLAN.— The Committee may include a revitalization plan in the report submitted to the Ecclesiastical Authority and the Council, if—
 - “(A) the Committee determines that the parish may achieve an adequate level of financial health and vitality by implementation of the plan; and
 - “(B) the rector and vestry of the parish agree to— “(i) adopt and implement the plan; and

“(ii) if the Council and the Ecclesiastical Authority approve the plan under sections 5406 and 5407, fully implement the plan.

“(g) TERMINATION.— The Committee shall terminate 30 days after the date on which the Committee submits the final report to the Ecclesiastical Authority and the Council.

“SEC. 5406. RECOMMENDATIONS OF THE COUNCIL.

“(a) TRANSMISSION OF REPORT TO PARISH VESTRY.—

“(1) IN GENERAL.— Except as provided under paragraph (2), the Council shall transmit a copy of the report submitted to the Council under section 5405(f)(1) to the vestry of the parish.

“(2) SUMMARY OF REPORT.—

“(A) IN GENERAL.— The Council may transmit a summary of the report instead of a copy of the report in extraordinary circumstances.

“(B) DETERMINATION BY COUNCIL.— The Council shall make any determination of extraordinary circumstances under subparagraph (A).

“(b) OPPORTUNITY TO COMMENT ON REPORT.— Before the Council takes any action under subsection (c), the Council shall provide an opportunity to comment on the report to—

“(1) any cleric employed by, or serving, the affected parish;

“(2) any member of the vestry of the affected parish; and

“(3) any individual who is designated by the vestry to represent the vestry.

“(c) SUBMISSION OF RECOMMENDATIONS. —

“(1) IN GENERAL. — The Council may submit 1 or more recommendations for action described under subsection (d) to the Ecclesiastical Authority.

“(2) CONSIDERATIONS.— In making any recommendation the Council shall consider—

“(A) any action that may benefit the overall health of the Episcopal Church in the Diocese of Washington; and

“(B) if feasible, any action that may restore the financial health and vitality of the parish.

“(d) RECOMMENDATIONS FOR DIOCESAN ACTION.—

“(1) IMPLEMENTATION OF REVITALIZATION PLAN. — The Council may recommend the implementation of any revitalization plan under section 5405(f)(4) consistent with the terms of that agreement.

“(2) VESTRY APPOINTMENTS.—

“(A) IN GENERAL. — The Council may recommend that the Ecclesiastical Authority—

“(i) terminate the terms of office of all members of the vestry; and “(ii) appoint 5 or more individuals to serve as members of the vestry, including appointment of a senior warden and a junior warden, to serve the parish for a temporary period, as determined by the Ecclesiastical Authority, for the completion of all recommended actions. “(B) QUALIFICATIONS.— An individual is qualified to be a member of the vestry appointed under subparagraph (A) if that individual is— “(i) a lay member of that parish;

“(ii) a communicant of this Diocese in good standing; and “(iii) at least 18 years of age.

“(3) CLERICAL LEADERSHIP. — The Council may recommend that the Ecclesiastical Authority terminate the office of rector of the parish and establish an office of priest-in-charge for a temporary period, as determined by the Ecclesiastical Authority, for the completion of all recommended actions.

- “(4) CONSERVATORSHIP OF REAL PROPERTY. — The Council may recommend that—
 - “(A) title to all the real property of the parish be transferred to the Diocese; and
 - “(B) the Diocese preserve and hold that real property in trust until the completion of all recommended actions.
- “(5) DIRECT DIOCESAN REVITALIZATION.— The Council may recommend that—
 - “(A) all the real and personal property of the parish be transferred to the Diocese;
 - “(B) all lay leadership, including all members of the vestry and officers of the parish, and all clergy, including the rector, be asked to resign or be removed from office; and
 - “(C) the Ecclesiastical Authority takes control of the administration of the parish.
- “(6) CHANGE TO MISSION STATUS.— The Council may recommend that— “(A) the parish terminates as a parish and the congregation be treated as a mission under the Canons;
 - “(B) all the real and personal property of the parish be transferred to the Diocese;
 - “(C) all lay leadership, including all members of the vestry and officers of the parish, and all clergy, including the rector, be asked to resign or be removed from office; and
 - “(D) all lay and clerical offices of the parish be terminated.
- “(7) COMBINATIONS OR AGREEMENTS WITH ANOTHER PARISH OR MISSION.— The Council may recommend that—
 - “(A) the parish combine with another parish in accordance with Canon 34; or
 - “(B) the parish enter into a cooperative governance agreement with another parish or mission—
 - “(i) within the Diocese under a plan developed by relevant clerical and lay leaders; or
 - “(ii) outside of the Diocese, with the approval of the appropriate authorities outside of the Diocese, under a plan developed by relevant clerical and lay leaders.
- “(8) CLOSURE.— The Council may recommend— “(A) the closure of the parish; and
 - “(B) that all the real and personal property of the parish be transferred to the Diocese.
- “(e) EXPEDITED REPORT.— The Council may submit expedited recommendations for action to the Ecclesiastical Authority if at any time after the opportunity to comment under subsection (b), the Council determines that there is sufficient evidence applying any of the factors under section 5405(f) (2) that prompt action by the Ecclesiastical Authority is necessary—
 - “(1) for the success of a revitalization plan; or
 - “(2) to protect any assets or resources that are in jeopardy of loss that may be avoided.

“SEC. 5407. ACTIONS BY THE ECCLESIASTICAL AUTHORITY.

- “(a) IN GENERAL.— The Ecclesiastical Authority may—
 - “(1) approve the recommendations of the Council and take actions consistent with the recommendations;
 - “(2) disapprove the recommendations; or
 - “(3) return the recommendations of the Council to the Council requesting revisions and resubmission of the recommendations.
- “(b) RESUBMISSION.— If the Council resubmits revised recommendations, the Ecclesiastical Authority may—
 - “(1) approve the recommendations of the Council and take actions consistent with the recommendations;
 - “(2) disapprove the recommendations; or

- “(3) return the recommendations of the Council to the Council requesting further revisions and resubmission of the recommendations.
- “(c) **AUTHORITY TO TAKE ACTIONS.**— Notwithstanding any provision of Canon 34, 35, or 47, the Ecclesiastical Authority may take any action consistent with the approved recommendations under subsections (a)(1) or (b)(1).
- “(d) **OTHER APPLICATIONS AND LIMITATIONS.**—
 - “(1) **STANDING COMMITTEE AS ECCLESIASTICAL AUTHORITY.**—
 - “(A) **UNANIMOUS APPROVAL.**—
 - “(i) **IN GENERAL.**— If the Standing Committee is the Ecclesiastical Authority taking an action described under clause (ii), the Standing Committee may take that action upon a unanimous vote of approval of all members present and voting at the meeting.
 - “(ii) **ACTIONS.**— Clause (i) applies to any action relating to an approved recommendation for—
 - “(I) direct diocesan revitalization under section 5406(c)(5); or
 - “(II) change to mission status under section 5406(c)(6).
 - “(B) **MEETING AND OPPORTUNITY FOR COMMENT.**—
 - “(i) **MEETING.**— If the Standing Committee is the Ecclesiastical Authority taking any action relating to an approved recommendation for change to mission status under section 5406(c)(6), the Standing Committee shall hold a meeting before taking a vote to take that action.
 - “(ii) **OPPORTUNITY FOR COMMENT.**— The Standing Committee shall provide an opportunity for comment at the meeting held under clause (i) to—
 - “(I) any cleric employed by, or serving, the affected parish;
 - “(II) any member of the vestry of the affected parish; and
 - “(III) any individual who is designated by the vestry to represent the vestry.
 - “(2) **PARISH CHANGED TO MISSION STATUS.**— If the Ecclesiastical Authority takes any action relating to an approved recommendation for change to mission status under section 5406(c)(6) the Ecclesiastical Authority shall apply Canon 35 to the former parish changed to status of a mission, except the Ecclesiastical Authority shall call the organizational meeting under section 3503 not later than 30 days after that action begins.”

SEC. 3. AMENDMENT RELATING TO EVIDENCE FOR THE ESTABLISHMENT OF A PARISH.

Section 3403(b)(2) of the Canons is amended—

- (1) by striking subparagraphs (C), (D), and (E) and inserting:
 - “(C) actions consistent with the considerations for the assessment of a parish under section 5404;”
- (2) by redesignating subparagraphs (F) and (G) as subparagraphs (D) and (E), respectively; and
- (3) in subparagraph (D) (as redesignated by paragraph (2) of this section) by striking “subparagraphs (B) through (E)” and inserting “subparagraphs (B) and (C)”.

SEC. 4. AMENDMENT RELATING TO COMMITTEES ESTABLISHED BY THE DIOCESAN COUNCIL.

Section 4401(b) of the Canons is amended by striking paragraph (2) and inserting the following:

- “(2) **CANONICAL COMMITTEES.**— This canon shall not apply to any committee that is—
 - “(A) established in these Canons; or
 - “(B) established by the Council under section 5405(a).”

SEC. 5. TECHNICAL AND CONFORMING AMENDMENT.

The table of sections of the Canons is amended by inserting after the item relating to Canon 53 the following:

“Canon 54: Diocesan Stewardship and Parish Vitality.”.

SEC. 6. EFFECTIVE DATE.

This resolution and the amendments made by this resolution shall take effect on February 1, 2022.