

Appendix 7

Apex

Executive Summary

The United Methodist Church
Operational Assessment Project
Executive Summary Presentation

THE UNITED METHODIST CHURCH

Operational Assessment Project

Executive Summary Presentation



APEX HG LLC

Prepared by APEX HG LLC
June 29, 2010

INTRODUCTION AND REVIEW OF PROJECT GOALS

1

Project Focus

- Leadership and Governance Structures and Processes of TUMC

Project Goals

- Identify primary opportunities or “levers” that will:
 - Support the attributes of a vital connexion for the 21st century
 - Improve decision making, implementation effectiveness, and accountability
 - Improve affordability and align resources with the determinants of church vitality and the Four Areas of Focus

In Support of

- The Call to Action Steering Team’s charge of “bringing forward a plan that will lead to reordering the life of the Church for greater effectiveness and vitality in (1) the mission of making disciples of Jesus Christ for the transformation of the world and (2) addressing the Four Areas of Focus as distinctive ways we live into that mission together.”

PROJECT METHODOLOGY AND APPROACH

2

- Independent analysis of the Church's leadership and governance structures and processes.
- TUMC Environmental Assessment (Appendix A of Report).
- Background financial and operations information interviews and information requests.
- Formal Project interviews (Appendix B of report).
- Project Survey (Appendix C).

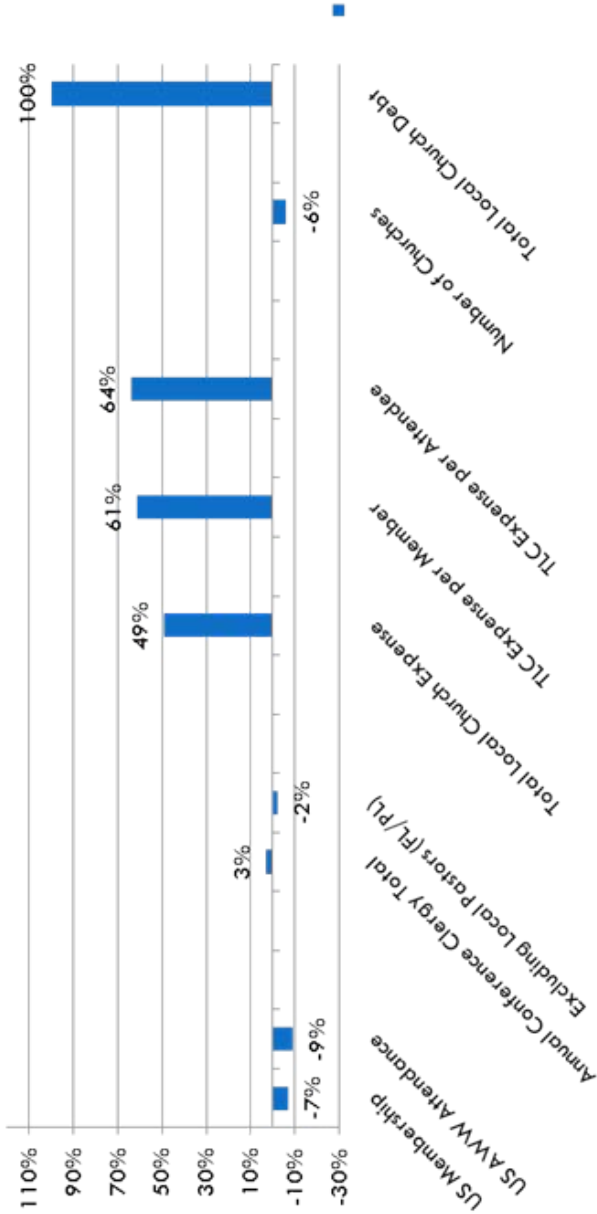
OUR ENVIRONMENTAL CONCLUSION AND THE CONTEXT FOR OUR ANALYSIS

3

- The Church is confronting a “**creeping crisis**” of relevancy with an accompanying **acute crisis of an underperforming economic model.**
- Relevancy — Internal and External Signs of Challenge
 - Internal:
 - Sense of loss of mission/identity
 - Mission clarity and congruency
 - Struggle with “global church” identity and mission
 - Institution versus mission purpose
 - Values and culture manifestations
 - Structure and process manifestations
 - External:
 - Declining US membership/attendance trends
 - Generation bound demographics of membership and clergy
 - Difficulty of attracting “young” generation

ACUTE CRISIS OF AN UNDERPERFORMING ECONOMIC MODEL

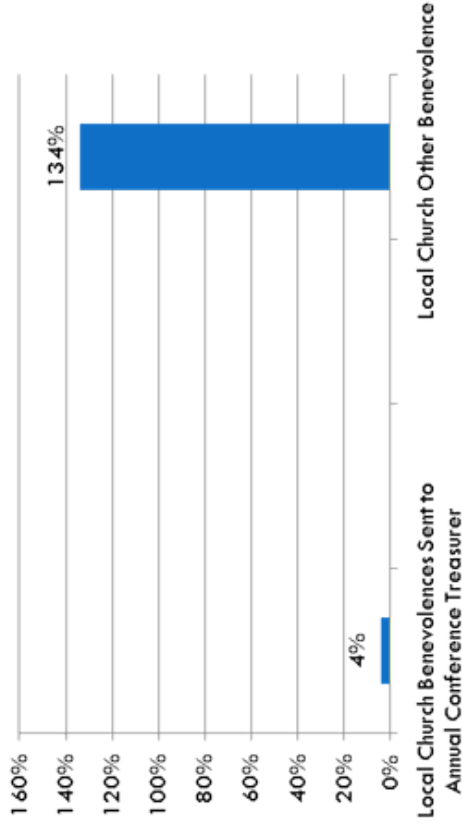
(US Only, Percent Change 1998 to 2008, Nominal Terms)



The economic model of the Local Church(s) has not been managed to harmonize the expense structure with the volume (membership/attendance) trends.

Approximately 70% of the estimated Local Church expense structure is clergy and lay staff and benefits, maintenance, buildings and improvements, and principal and interest.

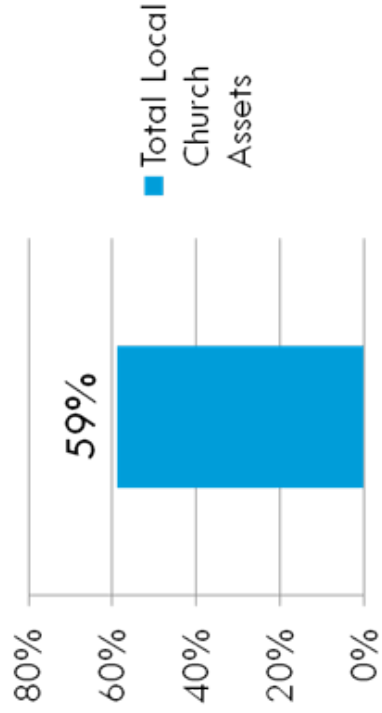
ACUTE CRISIS OF AN UNDERPERFORMING ECONOMIC MODEL (US Only, Percent change 1998 to 2008, Nominal Terms) Con't



In spite of membership/attendance trend declines, giving increased nominally although the majority of increase was in “Other Benevolences”.

The Church has significant trust-held assets at the Local Church level, but the management of these assets as a whole is challenged by the local control structure.

Total Local Church Assets



THE CREEPING CRISIS OF RELEVANCY AND THE ACUTE CRISIS OF AN UNDERFORMING ECONOMIC MODEL

- While the creeping crisis of relevancy appears to have a longer time horizon for solution, the acute economic pressures on the Church have the potential to create continuing fear and instability which will exacerbate the relevancy challenge.
- In the following presentation, we will focus first and foremost on catalytic and pivotal levers and then, briefly, on “enabling” and secondary levers.

“HEADLINE” LEVERS OF OPPORTUNITY – CATALYTIC AND PIVOTAL LEVERS

7

Mission, Values, Culture: The Catalyst and the Glue

Foundational re-immersion, discernment and, perhaps, reformation and re-interpretation of mission, values and culture are a primary lever of opportunity for TUMC.

Mission: “UNITED” in Mission

Achieving common Church-wide mission clarity, understanding and congruence is a pivotal lever for TUMC.

Culture and Values “Make or Break” Structure and Process

Strengthening the Church’s common culture and values is a pivotal lever for the Church through guiding and directing behaviors of “doing”.

“HEADLINE” LEVERS OF OPPORTUNITY – CATALYTIC AND PIVOTAL LEVERS

8

Reduce Organizational “Distance” – People Mechanism Bound by “Spirituality” and “Doing”

A major “lever” to improve Church operational effectiveness is to reduce the “distance” between and among its foundational units – the Local Church/Charge, the Annual Conference, and the General Church.

Strengthen Leadership and Management to Drive Mission

Focus: General Conference, Council of Bishops, Annual Conference and, later, Clergy

Address Governance Structure Mismatch of Form and Function

Focus: General Conference, Jurisdictional Conference, General Agencies

Strengthen Pivotal and Catalytic Processes

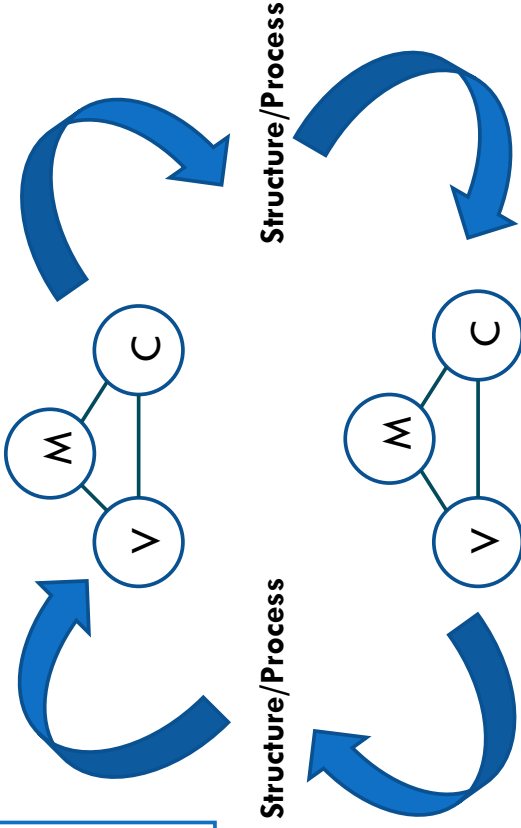
Focus: “Clergy process”, places of worship model(s), management of trust-held real estate assets

MISSION, VALUES AND CULTURE FINDINGS

A decentralized “mechanism” structure is heavily dependent on mission, values and culture forces for healthy and effective functioning.

- Mission
- Guide
- Framework for values and culture
- Unifying force
- Higher purpose

The self-fulfilling cycle can work in either positive or negative directions.



Mission identity, clarity, understanding and congruence

- Common mission
- Global nature of Church
- Wesleyan theology – “making disciples of Jesus Christ for the transformation of the world:
- Institutional egocentrism

“Achieving common Church-wide mission, clarity, understanding and congruence is a pivotal lever for TUMC.”

CULTURE AND VALUES FINDINGS

Culture and values guide and direct behaviors – pivotal to structure and process.

10

Four Themes: A Summary

Trust

- ❑ Both a symptom and causal factor
- ❑ Root cause for under performing structure and process, collaboration and conflict resolution
- ❑ Related to autonomy, independent agendas (protectionist behaviors)
- ❑ Not always demonstrated by leaders
- ❑ Related to accountability

Leadership

- ❑ Leaders model culture and values for better or worse
- ❑ Culture of courageous leadership versus rule bound, prescriptive culture
- ❑ Link to authority
- ❑ Link to accountability
- ❑ Leaders as individuals versus in groups – whole is less than sum of parts

Inclusivity and Diversity – Mutual Respect and Civil Dialogue

- ❑ Success in creating “big tent” – healthy challenge
- ❑ Mutual respect and civil dialogue – common ground – Wesleyan teachings
- ❑ Leaders must model/create processes/forums for civil dialogue

Accountability

- ❑ Is a culture attribute and can be an overt one
- ❑ Exists inconsistently and separately
- ❑ Related to trust

REDUCING THE DISTANCE BETWEEN AND AMONG THE CHURCH'S FOUNDATIONAL UNITS

11

Distance Equation

When Distance is increased or decreased, is the cost (in distance and dollars) justified by the benefit?

Distance Themes in Summary

Annual Conference and District Size

- ❑ Reduce Annual Conference and District Sizes
- ❑ Improve Bishop and District Superintendent leadership ratios

Jurisdictional Conference Structure

- ❑ Benefit does not appear to justify the distance cost

General Church Program and Ministry Agencies

- ❑ Distance rooted in autonomy and failure of collaboration
- ❑ Related to accountability
- ❑ Recognized value to Church's mission with alignment
- ❑ Related to General Agency governance findings

STRENGTHEN KEY ORGANIZATIONS THAT DRIVE MISSION

LEADERSHIP AND MANAGEMENT

12

Leadership and Management

- ▣ General Conference: challenge of addressing vacuum between sessions
- ▣ Council of Bishops: oversight for Church spiritual and temporal affairs and Bishop superintendancy of Annual Conferences
- ▣ Annual Conference:
 - Fundamental unit of Church
 - Connection to economic model
 - Constitutional role
 - Connection to General Church

STRENGTHEN KEY ORGANIZATIONS THAT DRIVE MISSION

GOVERNANCE STRUCTURE

13

Mismatch of form and function of legislative and operating entities with their respective governance structures is “blocking factor” in achieving greater organizational effectiveness.

General Conference

- ❑ Mismatch of legislative structure with operating responsibility by default
- ❑ Management through legislation - increasingly rigid and rule bound culture during time of transition

Jurisdictional Conference

- ❑ Mismatch of legislative and operating responsibility
- ❑ Redundancy in operating responsibility
- ❑ Alternate pathways to fulfill legislative responsibility?

General Agencies

- ❑ Primarily operating entities with mix of legislative and operating governance structures
- ❑ General Agency Boards are too large – 24 to 89 members – and meet too infrequently
- ❑ Relationship to “distance” findings, accountability findings
- ❑ Relationship to trust, protectionism

STRENGTHEN KEY PROCESSES THAT DRIVE MISSION

PIVOTAL AND CATALYTIC PROCESSES

14

The process of forming, developing and managing the Church's Clergy Human Asset

- ❑ No central place of accountability for whole process
- ❑ No holistic linkages and alignment
 - e.g. setting common expectations for what defines “effective clergy”
- ❑ Relationship between mission clarity, congruency and clergy role/effectiveness
- ❑ Pivotal human asset – importance and fragility

R&D – Creating places of worship models

- ❑ Local church expenditure structure
- ❑ Models for new churches and for evaluation and adaptation of existing churches

Managing the Church's trust-held real estate assets

- ❑ Portfolio redeployment and demographic changes
- ❑ Decision and control structure
- ❑ Relationship to Annual Conference strengthening

STRENGTHEN KEY PROCESSES THAT DRIVE MISSION

“ENABLING” PROCESSES

15

Improving and standardizing reporting systems and management process

- Accountability and quality access to information/transparency
- Management process

General effectiveness elements

- Clarity of responsibility (role and goal clarity)
- Authority to carry out responsibility
- Accountability for results
- Competency

CELEBRATE SUCCESS!

STRENGTHEN KEY PROCESSES THAT DRIVE MISSION

SECONDARY LEVER PROCESSES

16

Church-wide planning – cascading planning process

- ☐ Strategic planning
- ☐ Financial planning
- ☐ Relationship to resource stewardship accountability
- ☐ Relationship to mission, values, culture
- ☐ Relationship to distance

Shared services

- ☐ Observations/findings
- ☐ Potential
- ☐ Relationship to distance, trust, accountability, competency

Appendix 8

Apex Report

The United Methodist Church
Operational Assessment Project
Report to the Call to Action Steering Team



THE UNITED METHODIST CHURCH

Operational Assessment Project

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APEX HG LLC

Prepared by APEX HG LLC

June 29, 2010

THE UNITED METHODIST CHURCH

Operational Assessment Project

Report to the Call to Action Steering Team

TABLE OF CONTENTS

Introduction	1
Methodology	4
Mission, Values, and Culture Findings	7
Mission	8
Culture and Values – A Vital Connexion for the 21st Century	10
Values Supporting a Vision of a Vital Connexion in the 21st Century	11
Culture and Values Findings	12
Trust	12
Inclusivity and Diversity – Mutual Respect and Civil Dialogue	13
Leadership	14
Accountability	14
Structure and Process Findings	15
Reduce the “Distance(s)”	16
Annual Conference and District Size	17
The General Church	17
The Jurisdictional Conferences	17
The General Church’s Program and Ministry Agencies	18
The “Distance Equation” Link to Key Processes	19
Strengthen the Key Organizations and Processes that Drive the Church’s Mission	19
General Effectiveness Elements	19
Leadership and Management	20
Clarity in Legislative versus Operating Entities and Reform Opportunities	21
The General Conference	21
The Jurisdictional Conference	22
The General Agencies	22

Strengthening Key Processes that Drive the Church’s Mission	23
Managing the Church’s Pivotal Clergy Human Resource Asset	23
The Call and Pre-Ordination Process	24
The Seminary Education Process	24
The Post-Ordination Process	24
The Research and Development Process of Creating Places of Worship Models	25
The Process of Managing the Trust-Held Real Estate Portfolio of the Church	26
The Process of Improving and Standardizing Information Reporting Systems and Related Management Processes	26
Strategic Planning Processes	26
Financial Planning Processes	26
The Process of Celebrating Success	27
 Opportunities for Shared Services –	
Improving Affordability and Effectiveness	28

Introduction

As students of The United Methodist Church (the “Church”) in the course of performing the Operational Assessment Project (the “Project”), we have come to understand the Church as a very complex “mechanism” structure. We have often thought of the Church’s structure as analogous to looking into the back of an open spring-wound watch with the connected turning gears, jewels and springs – somehow this amazing thing works but it is difficult to discern how from first looking at it. Our mechanism understanding comes directly from Jack Tuell’s helpful book, “The Organization of The United Methodist Church”. We thought one of the most insightful chapters was the Conclusion in which Mr. Tuell describes the Church as a mechanism of “doing” and as a complex human mechanism – “a great skein of human relationships”. Mr. Tuell provides an elegant dialogue of the age old argument of form versus function and which comes first. For our purposes in performing this Project, we believe they both come first.

We necessarily also have become students of Wesleyan teachings – especially the “connexion”. We have come to understand the Wesleyan notion of connexion – in our words – as the connection among people - both among “members” and among members and the people of the communities they serve - and as the connection to God. We have also come to understand the “connexion” in its intimate relationship with the Wesleyan notion of “disciples of Jesus Christ” and with the Church’s mission of “making disciples of Jesus Christ for the transformation of the world”. Most importantly for the purposes of our Project, we have come to understand the importance of a “vital connexion” in making the mechanism of the Church “work” in achieving its mission.

We performed the substantial Project work of the Environmental Assessment (see Appendix A), along with gathering input from the formal interviews, in order to create a context for undertaking the primary objectives of the Project focused on Church effectiveness, affordability and creating a vital connexion – all in pursuit of the Church’s missions. Our principal focus in creating this environmental context was to understand exactly what challenges the Church is confronting and, further, to understand the magnitude and urgency of the challenges. Our conclusion is that the Church is confronting a “creeping crisis” of both internal and external origin and that the crisis is primarily a crisis of “relevancy” – both internal and external. Although the crisis is being influenced by financial duress, it is not foremost a financial crisis. The implication of this conclusion is that the opportunities or “levers” that we sought to identify would likely be more about mission/values/culture - and the structure and process influencers of mission/values/culture - than about financial matters. Our conclusion is not intended to suggest that the structure and process findings of the Project relating to improving affordability are not important and essential to the Church’s mission – they are.

In fact, impending financial challenges may create greater impetus for change and thus present a crisis with opportunity. These financial challenges include the 2012 budget process as it affects the General Church’s need to prioritize its work and align/improve its resource effectiveness – given the size of potential budget reductions, this challenge is not about doing more with less but rather is about doing work completely differently, including decisions about “stop doing”. This budget opportunity ties to

Page | 1

many of the specific structure and process findings in this report relating to the General Church. From the perspectives of the Annual Conference and Local Church, financial challenges lead directly to a focus on clergy effectiveness and mission-appropriate economic models for places of worship – both topics of the findings in this report.

To review, the Operational Assessment Project objective is to identify primary opportunities or “levers” that will:

- Support the attributes of a vital connexion for the 21st Century;
- Improve Decision Making, Implementation Effectiveness, and Accountability; and
- Improve Affordability and Align Resources with the Determinants of Church Vitality and the Four Areas of Focus.

Further, the Project was intended to focus primarily on leadership and governance structures and processes of the Church. The findings of the Project were not to be specific structural recommendations but are intended to provide input and support to the Call to Action Steering Team which in turn has the charge of “bringing forward a plan that will lead to reordering the life of the Church for greater effectiveness and vitality in (1) the mission of making disciples of Jesus Christ for the transformation of the world and (2) addressing the Four Areas of Focus as distinctive ways we live into that mission together.”

Following this Introduction, we review the Project methodology and then we launch into the three primary sections of the report, listed below. We begin with a deliberate focus on mission, values and culture findings for several important reasons. Foremost among these reasons, is the foundational nature of mission, values and culture forces within organizations. These forces, in their foundational capacity, both affect the functioning of structures and processes and are affected by the functioning of structures and processes. Therefore, our mission, values and culture findings carry over to the structure and process findings that follow.

- Mission, Values and Culture Findings;
- Structure and Process Findings; and
- Opportunities for Shared Services – Improving Affordability and Effectiveness.

The Appendices include the Environmental Review and Assessment (with an Executive Summary), the Project Interview list and protocol, the Summary Survey Findings and Summary Survey data, and a summary review of TUMC Constituent Entities and Governance Structures.

Before concluding, we would like to offer a few additional context comments. After having the privilege of interviewing many caring, thoughtful, introspective and highly intelligent leaders of the Church, we have noted the self-critical nature of much of the input that we have received – the natural tendency of the interviews was to dwell in the negative rather than the positive. The input that is summarized in this

report reflects this imbalance and we want to acknowledge this fact. Although much of the positive has been lost in the nature of the critical focus of the Project, we have seen and heard about many of the enormous and amazing contributions to “transforming the world” that the Church is making.

We want to express our full respect for the Church’s mission and for the caring, dedication and devotion of the people we have had the privilege to meet. We hope and wish that the Project contributes in some meaningful fashion to the continuing realization of the Church’s mission.

TUMC Operational Assessment Project Methodology

The TUMC Operational Assessment Project (the “Project”) methodology included the following components which are summarized separately below.

I. Independent analysis of the Church’s leadership and governance structures and processes.

Substantial documentation was reviewed in the course of this Project. Primary publication review sources included:

- Jack M. Tuell, “The Organization of The United Methodist Church,” 2009 – 2012 Edition, Abingdon Press.
- “The Book of Discipline of The United Methodist Church,” 2008, The United Methodist Publishing House.
- Russell E. Richey, “Methodist Connectionalism – Historical Perspectives,” 2009, General Board of Higher Education and Ministry.

II. TUMC Environmental Assessment. Substantial information was requested and provided through the General Council on Finance and Administration. The results of this work served to create a “context” for the Project and are provided in Appendix A.

III. Background financial and operations information interviews and information requests.

Approximately 15 hours of informal interviews and related information requests were conducted to review the following areas.

1. Budget process and accountability structure – operating and capital.
 - General Conference level
 - GCFA level
 - Agency level
 - Annual conference level
 - Church/charge level
2. Funds Flow
3. Appropriation formula and process
4. Corporate organization and liability structure
5. Finance functions structure(s)
 - Reporting/financial controls/audit
 - General accounting
 - Treasury
 - Internal audit
 - Real estate
 - Payroll and accounts payable
 - Expense policies and management/accountability

6. HR functions structure(s)
 - Policies and benefits
 - Recruiting and retention
 - Orientation/training/development/engagement
 - Regulatory compliance
7. IT functions structure(s)
8. Legal functions structure(s)

IV. Formal Project interviews. Over 50 hours of interviews were conducted as a core component of the Project and were conducted in general accordance with a formal interview protocol. These interviews included US and Central Conference Bishops, leaders of COB, CT, and Judicial Council, General Agency Secretaries, Seminary leaders, District Superintendents, Annual Conference leaders, Pastors of local churches of varied membership size, active lay leaders and a few people selected for their broad and thoughtful perspectives. These interviews will form a core information source for the Project and are intended to provide an in depth complement to the Project survey. A primary goal of the interviews was to drill down several layers in understanding the structures, processes and culture of The United Methodist Church. Appendix B contains the interview lists and protocol that comprised the formal interview process. The interviews were conducted with deliberate confidentiality.

V. Project Survey. The Operational Assessment Survey was designed to provide a source of general quantitative feedback from the Church's broad leadership regarding environment assessment (understanding of the Church's environment and circumstances, need for change and change readiness) and an assessment of the effectiveness of the Church's structures and processes, both in general and in the context of "making disciples of Jesus Christ for the transformation of the world" and in the context of pursuing the Four Areas of Focus. The Survey was designed to complement an extensive formal interview process (referenced separately in this report) and independent analysis and review. The Survey was conducted with deliberate confidentiality. The Project Survey summary findings and data are included in Appendix C.

Our confidence level in the materiality, meaningfulness and validity of the Project Survey results is strong for the following reasons:

- Our overall survey response rate was 46% and role specific response rates were 36% or higher and our number of respondents was large (423). While acceptable response rates for surveys of this type vary substantially, a review of published literature indicates that a sufficient response rate is approximately 36% or higher (see Jack E. Edwards, et al, "How to Conduct Organizational Surveys," Sage Publications Inc., 1997). In addition, we were satisfied with our response rate given some of the forces which were working against us in the process of implementing the Survey, e.g., a short response duration time (three weeks), a relatively long survey length, and

the overlap of the Project Survey with a survey being conducted by the Vital Congregations Research Project;

- Although complicated by the fact that many of the Survey respondents serve in multiple roles, the Survey responses were relatively evenly distributed between those respondents with primary responsibilities at the General Church level and those with primary responsibilities at the Annual Conference/Local Church level.
- The Survey was conducted with a high degree of confidentiality to ensure that respondents could deliver honest and candid responses; and
- In our Survey findings, we focused largely on survey evaluations in which 50% or more of respondents delivered an evaluation in one of the three categories i.e., Above Average, Average or Below Average, thus providing a large cushion for margin of error.

Operational Assessment Project

Mission, Values and Culture Findings

Mission, Values and Culture Findings

Mission, values and culture interact to create perhaps the strongest and most fundamental forces that define and drive organization purpose and identity. In a decentralized, “mechanism” structure organization such as The United Methodist Church, mission, values and culture are both the “catalyst” and the “glue” which give rise to organizational vitality and functionality.

In the findings of our Project work, foundational re-immersion, discernment and, perhaps, reformation and/or reinterpretation of mission, values and culture are a primary “lever” of opportunity. This primary lever will not only impact all other “lever” findings of this Study, but will have the most significant potential to “unlock” the Church from its so often self articulated malaise.

Extensive commentary about mission, values and culture permeated our formal (and informal) interviews and were central themes in the majority of our formal interviews. The discussion of mission arose primarily in response to questions about the most significant challenges facing the Church in the present and future. The mission findings which follow are drawn from this input. Values and culture comments also occurred throughout the interview process, but most often took place in the discussion of envisioning and describing “a vital connexion for the 21st Century” and in describing the values which would nourish and support such a vital connexion. In other words, what “could be” led to a discussion of current state values and culture. Hence, we will summarize and review input regarding the vision of a vital connexion as we frame our findings on values and culture.

Mission

Mission themes covered many areas but the central focus was on a sense of loss of mission definition and relevancy and an accompanying sense of loss of identity. At the broadest level, the Church’s struggle for an identity as a global church was widely discussed. Diverse views were expressed on this topic – ranging from a viewpoint that the Church’s global nature is aspirational and not grounded in a real sense of purpose and goal setting to views that either too much or not enough of the Church’s identity and mission is global versus US focused. Most of the mission commentary was focused on the fundamentals of understanding, interpretation/emphasis and theology. We discuss these themes leading with theology input and interspersed with quoted interview comments.

Although most theology commentary focused on the central theme of loss of Wesleyan theological focus and/or an imbalance of focus, a much more fundamental issue was expressed as follows.

“Whose Church is this? Is it God’s Church or our Church? What is God’s stake in the Church?”

“The Institution has become about its own self perpetuation.”

Most of the Wesleyan commentary was focused on “making disciples of Jesus Christ for the transformation of the world”. We received comments on this topic that ranged from a focus on

differences in definition and understanding to differences in interpretation and emphasis, including basic disagreement on what the Church's mission of "making disciples..." is or should be.

"We need to reclaim our identity – defined in connection and making disciples."

"There has been an uncoupling of social holiness and vital piety - we need to focus all churches on both making disciples and transforming the world."

"There are three types of misguided 'mission' occurring: (1) churches overly focused on personal spirituality (2) churches overly focused on social action and (3) churches focused primarily on 'do what we want and take care of us'."

"The Church needs to balance the social justice gospel and the evangelical gospel."

"The Church needs to 'recapture the center' and celebrate common Wesleyan beliefs."

There were many comments focused on relevancy, vitality, and connection.

"The Church is losing its relevance and vitality – worship does not invite participation and clergy are not challenged to invite participation – there is too much 'wanting to play it safe and easy' – a safe church is not necessarily an inspiring church."

"We need to understand how to assure the Church's relevance to the communities it serves – being connected to people's life experiences in language, engagement and inspiration with spiritual basis."

In addition, there were comments that focused on generational notions at both ends of the spectrum.

There is a general lack of sense of mission – what was once a "society" church is now focused on poverty etc.

"Young people are attracted by the challenge of the Wesleyan combination of spirituality and social action."

"Young people want hope, challenge and relevancy."

"Young people are hungry for authenticity, truth and integrity - not becoming members of institutions."

The root causes cited for lack of mission clarity/understanding/congruence were primarily attributed to leadership, language/communication and cultural issues that work against leadership, communication, discernment and civil dialogue. Specific leadership and cultural findings are discussed later in this section. On the language and communication front, some interviewees conveyed that the Church's

Page | 9

mission is not communicated in common script/language, is not articulated consistently, is too complex and ambiguous and is not communicated in an inspiring fashion. Communication was often cited as straddling paper and digital media and not functioning at the forefront of current social media and technology modalities.

Lack of mission/identity clarity and congruence in turn influences culture, leadership and the functionality of the Church's mechanism structures and processes. Furthermore, when lack of mission clarity occurs over a long period of time, there is a natural tendency for different groups within the organization to "fill the gaps" by creating their own mission interpretation which further undermines a clear common mission. Although these organizational dynamics are complex in their circular interdependence, our fundamental finding is that achieving common Church-wide mission clarity, understanding and congruence is a pivotal "lever" opportunity for The United Methodist Church.

Culture and Values – A Vital Connexion for the 21st Century

Before we review our findings regarding the current state of culture and values in The United Methodist Church, we will summarize the vision of a vital 21st Century connexion and the accompanying values as expressed by our interviewees.

Vision of a Vital Connection for the 21st Century

Below we have paraphrased, sorted and condensed the interviewee collective vision of a vital connection for the 21st Century.

- A vital connection is achieved through carrying out the Church's mission.
- A vital connexion means "telling the story" of the global church work well enough to truly reach local laity and clergy in information, inspiration and spiritual connection.
- Bishops serve as "Chief Connectional Officers" in a vital connexion.
- Local churches create connections with one another and through their Annual Conferences – local church competition does not defeat connection.
- Every local church has a primary responsibility to know its neighbors in relational connection – "if poor are not visible then they are sought out and actual relational friendships are created – god is where the broken hearted are – vision of life is for salvation of all – compassion arises from relational connections."
- Vibrant venues for cross-cultural experience of worship are the norm, e.g. every 5th Sunday churches come together in region for joint worship session, pastors are assigned to neighborhoods, not churches - all churches have sister churches and share community leadership and resources.
- People behave ethically and morally.
- Trust is expected and is given.
- Decisions are made for the whole church and not out of self interest - people behave in a system of mutual support rather than as competitive and independent groups and, as such, are collaborative.

- There is a Church-wide recognition of mutual responsibility to mission and to each other in decisions and work is manifest in actions – for example, getting hands dirty, building relationships across geographic and cultural boundaries.
- The Church fosters an adaptive and learning environment.
- People behave with authenticity – i.e., the ability to express beliefs according to life experience and to act consistently.
- People live with differences and do not allow politicization of differences to block ministry work – there is an overarching focus on mission and vision – results are expected.
- A vital connection will require a loosening of the prescriptive rule-based environment of the Church – establish clarity of identity and clarity of boundaries and provide freedom of space in between i.e., simplify BOD allow for a more generative environment of ministry.
- The Church will allow for greater freedom to opt in and opt out – that would promote relationship-based giving and receiving in an open two way flow.
- The Church should emphasize special interests instead of forcing them to the edges and commensurately promote open development of networks of people with shared convictions – “you cannot put Humpty Dumpty back together again and should not try to”.
- There is Church-wide transparency.
- People come together in community of Wesleyan spiritual passion, care and growth - relationship building is the norm.
- Civil dialogue occurs even when there are fundamental differences – civility and “holy conversation” are possible – i.e. conversation that is thoughtful and prayerful.
- The Church fosters awareness (and measurement/evaluation) of who one is serving in various roles and how one is and/or should be serving – a serving philosophy.
- Effectiveness is an accountability – there is no confusion of intent with outcome, activity with results and speechifying with communication.
- Leaders lead by example.
- Communications are up down and across the organization.
- Results are recognized and celebrated.
- In a vital connection, the Church will be about Christianity rather than Churchianity.

Values Supporting a Vision of a Vital Connexion in the 21st Century

Below we have paraphrased, sorted and condensed the interviewee collective values which would support a vital connection for the 21st Century.

- Core values should be based in Wesleyan teachings – how people come together in community of spiritual passion, care and growth.
- Being a community entails sacrifice of personal interest and personal accountability for the interest of the community.

- “Relationship” is a value among people and communities – “a relationship church is a connectional church.”
- The core values are embedded and demonstrated in the journey of discipleship – moving from inward to outward focus.
- Trust vested in authority requires accountability.
- Mutuality (trust), support, and accountability.
- Get over issues as obstacles – if an authentic dialogue is not realistic, embrace/accept differences and work on things in common – celebrate achievements in common.
- It is critical to build trust in creating a vital connection – this will be achieved through respect, transparency, power sharing and accountability at every level.

Culture and Values Findings

Culture and values are a potent organizational force because they guide and direct behaviors within an organization. Further, they have the power to “make or break” structure and process, so culture and values are central to creating a functional system of organization. Just as highly successful organizations constantly reground themselves in their missions, such organizations also constantly reinforce their culture and values system.

In general, interviewees felt that the current state of the Church’s culture and values has not reached the vision and values described above in the vision of a vital connexion for the 21st Century. Interviewees did, however, cite current examples where they felt that this vision of connexion is demonstrated. Examples included recent crisis responses to Katrina and in Haiti, the “Imagine No Malaria” projects and many “grass roots” efforts that are occurring across the Church. Interviewees distinguished the grass roots efforts as generally occurring outside of the formal processes and, often, structures of the Church. The implications of structure and process as they relate to mission, culture and values are discussed later in this report.

There were four central themes that developed in interviewee input on the current state of the Church’s culture and values: trust, inclusivity and diversity – mutuality of respect and civil dialogue, leadership and accountability. Each of these themes is discussed as follows.

Trust

General lack of trust within the Church was a pervasive and recurring theme in the majority of interviews. Lack of trust was expressed in many ways, for example, “between the pew and leadership”, personal distrust feeding institutional distrust and vice versa. Trust was cited as one of the most important challenges that the Church faces, it was cited as a force working against a vital connexion and it was cited as a root cause for under-functioning structures and processes of the Church. Sources of distrust ranged from “old wounds” to representative and/or protectionist behaviors and agendas that

were not putting the broad interests of the Church first. Lack of accountability was also cited as a root cause of distrust – when people are not accountable for their actions and behaviors, they cannot be trusted. Interviewees related that trust and good intent was not presumed in relationships and frequently the opposite was true. Trust was often mentioned as a leadership issue – particularly in the context of power and authority. People are not trusted with power so they are not given authority – they are not accountable so they are not trusted with power and authority. Often mentioned was the observation that leaders themselves frequently do not demonstrate trust behaviors.

General distrust is a significant cultural issue for the Church. Distrust is both a symptom and a causal factor in frustrating the Church’s ability to function more effectively. The Church’s decentralized “mechanism” organization structure inherently relies primarily on “collaboration” among entities and leaders to achieve the Church’s mission. Distrust is one of the root causes for the failure of collaboration (which will be discussed further in the Structure and Process findings of this report in later sections). The opportunity to create a trusting environment is another finding of the Project as a “lever” which will create a stronger vital connexion and allow for more effective functioning of Church structures and processes.

Inclusivity and Diversity – Mutual Respect and Civil Dialogue

The Church has achieved a great deal in promoting inclusivity and free expression and diversity. Interviewees described the many positive developments and accomplishments that are attributable to creating “the big tent” and also described some of the negative consequences that have occurred in parallel with American society, i.e. the increasing polarization in beliefs and on key issues – particularly social issues – many interviewees felt that the Church should be a model for American society rather than a mirror. Since the only Church entity that is empowered to make policy decisions is the General Conference which meets every four years and since there is no other leadership entity that is authorized to define policy and doctrine, the Church’s culture must provide a mechanism for constructive engagement on issues and beliefs under the “big tent” of inclusivity, diversity and free expression. Interviewees feared that in the absence of constructive engagement and the ability to find common, powerful and uniting beliefs, that the Church would gradually become congregational and lose its fundamental “United” connectional spirit.

Interviewees had many suggestions for approaching the “big tent” challenge which are summarized below.

- Clarify the Church’s mission to focus on fundamental and aspirational Wesleyan beliefs which are held in common – promote a culture of living with differences and focusing on the many spiritual and social challenges that are shared in common.
- Draw on the theological concept of prevenient grace – “should lines be drawn or should we allow for gates between connected pastures?”
- Develop discernment mechanisms and invest time and energy in discernment.

- Leaders should model civil and/or difficult dialogue better – “requires humility, civility and respect – when people avoid such dialogue out of ‘Church nice’, they go underground and seek others with their point of view and divisiveness grows”.
- Articulation and demonstration of the values of respect, integrity and authenticity.

The “big tent” challenge is a healthy cultural challenge for the Church and the Church’s success in dealing with this challenge is fundamental to the Church’s ability to function effectively and create a vital connexion.

Leadership

The topic of leadership arose consistently throughout the interview process. Below is a summary of salient points.

- The Church has many talented leaders at all levels of the Church – leaders were consistently described as more effective as individuals than as a leadership group e.g. Council of Bishops, Connectional Table, General Secretaries Table.
- Effective leadership is poorly defined at all levels of the Church – lack of definition leads to lack of measurement and lack of accountability.
- Leadership development resources are plentiful – they are not aligned and they are not connected to an individualized assessment and development process.
- Lack of clear authority weakens leadership.
- Leaders are often not held accountable.
- The Church rewards administrative/maintenance behaviors – risk taking is neither encouraged nor rewarded.
- The Church’s rule bound and prescriptive culture was often cited as a root cause for lack of “leadership culture” i.e. risk taking, ability to make mistakes, innovation.
- A majority of interviewees expressed a hunger for courageous leadership.

The Church has a decentralized leadership structure. In such an environment, a culture of courageous leadership can help to overcome the inertia of “many leaders”. Leadership as a topic will arise again in the structure and process sections of this report.

Accountability

Although accountability was represented to exist separately within various Church structures (e.g. the General Secretaries are accountable to their Agency Board), clearly defined broader accountabilities were often cited to be missing on a Church-wide basis. Just as important, interviewees often cited that the Church did not have a “culture of accountability”. This theme will continue to arise throughout this report. A culture of accountability would provide a significant opportunity for improving organizational effectiveness, creating a vital connexion, and improving the effective and efficient use of resources or “affordability”.

Operational Assessment Project

Structure and Process Findings

Structure and Process Findings

After considerable review and analysis of the Church's complex structures and processes in the areas of leadership, governance and management and after incorporating the substantial input received from informational interview participants in the course of creating the Environmental Assessment, formal interview participants and Survey respondents, we have identified two major structure/process "levers" or opportunities to improve the Church's decision-making and implementation effectiveness, to strengthen the Church's connexion toward creating a more vital connexion, and to improve financial affordability. (Please see "Methodology" for a review of source information.) The first of these levers is to reduce the "distance(s)" between and among the Church's most fundamental units of the Local Church/Charge (the "Local Church"), the Annual Conference and the General Church. The second lever is to strengthen the organizations and processes that are "key" to achieving the Church's mission and values. Each of these major opportunities or "levers" provides a central theme with many sub-levers or opportunities for improvement. These findings are reviewed in detail as follows.

Reduce the "Distance(s)" Between and Among the Church's Most Foundational Units - the Local Church, the Annual Conference and the General Church

Above all, the Church's complex "mechanism" structure is a mechanism of people bound by the Wesleyan notions of spirituality and "doing". As this mechanism has grown and evolved, its increasingly complex structures and processes have created a greater distance and thus a weaker connection between and among the people (members, attendees, pastors, and lay and clergy leaders). This "distance" is a function of (1) the number of organization layers in decision making and execution, (2) leadership ratios within units and (3) the complexity and leadership harmony within organization layers. The symptoms and evidence of the negative impact of this distance are found in formal interview input (loss of sense of mission and identity, loss of connection between the "pew and church leadership", and the values and culture findings cited earlier in this report) and in the Survey findings. The opportunity is to eliminate or reform structures and processes that increase distance without adding commensurate value for the "cost" of the distance – in other words to consciously evaluate the "distance equation".

In our review and analysis and guided by formal interview input, we have identified the foundational units – and therefore the focal points of the "distance equation" – as the Local Church, the Annual Conference and the General Church. Although there are leadership and "doing" at each of these unit levels, these units serve very different purposes. The Local Church is, simply stated, the "front line" of doing. The Annual Conference, which serves dual legislative and administrative roles, is the key point of connection for Local Churches (according to our interviewees), is the organization in which regional administration and Episcopal leadership come together and is the fundamental unit connecting the General Church and the Local Church. The General Church provides policy, judicial, administrative and spiritual leadership for the entire global Church and also, importantly, provides program and ministry expertise and opportunity to achieve greater scale of mission impact. Below we offer findings which support potential opportunities to evaluate the distance equation as it relates to these fundamental

units of the Church. In addition, we have described the distance equation link to evaluating key processes.

Annual Conference and District Size

We received vocal and consistent input regarding the negative impacts of increasing Annual Conference and District sizes. At the District level, local church pastors were strong-voiced about the importance of their District Superintendent, not only in crisis but in consultation. In many cases, interviewees cited that at current District sizes, District Superintendents were only available in crisis situations. Further, it was cited that District Superintendents have a difficult time “knowing” their Local Churches given increases in size. This collective input suggests that increasing District sizes are weakening a key pastor connection as well as a local church connection point to their Annual Conference and its Episcopal leadership. At the Annual Conference unit level, the same pattern was voiced by interviewees regarding Bishop “visibility and knowing” of Local Churches when the numbers get too large. Further, some interviewees expressed concern about size of Annual Conferences in relation to their legislative roles – “1500 people cannot have an effective debate”. A finding of our report is that in evaluating the “distance equation”, smaller Annual Conference and/or District sizes may provide greater organizational (mission) value for the cost tradeoff.

The General Church

In terms of the “distance equation” the majority of interview input along with our organizational analysis and review focuses on the Jurisdictional Conference and General Church Program and Ministry Agency units.

The Jurisdictional Conferences

The Jurisdictional Conference units were viewed by interviewees in the following ways.

- The Jurisdictional Conferences “are too remote to be effective – the meetings are too infrequent and people are not always informed”.
- The Jurisdictional Conference delegate selection process sometimes does not produce competent and informed delegates – delegates may not understand their representative accountability.
- The Jurisdictional Conferences have become distinct institutional cultures which have created further “distance” through lack of congruence among these sub-cultures.
- “The cost is not worth the value – we should find an alternate solution for carrying out their responsibilities.”

Survey findings (see Appendix C) were also informative regarding the Jurisdictional Conference structures. In their role as legislative bodies, over 50% of respondents evaluated the Jurisdictional Conference role clarity and goal clarity as Below Average. In their Jurisdictional Conference administrative roles, more than 50% of respondents evaluated the Jurisdiction Conference structure as Below Average in all survey measures of effectiveness – overall effectiveness of decision making, decision process effectiveness, degree of role clarity and degree of goal clarity.

Our finding is that the costs (in distance and in dollars) may not be justified by the “benefit” that is delivered by the Jurisdictional Conference structures.

The General Church’s Program and Ministry Agencies

Individually, the General Church’s Program and Ministry Agencies provide valuable leadership and expertise to the Church as well as the opportunity to achieve greater scale and hence greater value of mission impact. However, our finding is that due to their individual autonomy (i.e. independent boards and primary accountability only to their respective boards and to the General Conference) and their collective impact as a group of autonomous entities (i.e. the complexity and disharmony that this autonomy creates), the Program and Ministry Agencies add to the “distance” between the General Church and the Annual Conference and to the distance between the General Church and the Local Church, perhaps unnecessarily due to their autonomous structures. Much of the interviewee input was related to individual agency autonomy and the institutionalization of the Agencies in developing specific identities, missions and brands and the input also reflected the collective impact of this autonomy. Below is a summary of some of the recurring interviewee input.

- The agencies “dictate rather than serve”.
- The agencies are “sometimes not successful at the Annual Conference level because their programs are based on their own ‘portfolio’ strategies rather than the Annual Conference needs and goals.
- The agencies compete with the Annual Conferences.
- The agencies are a cacophony of voices – their “brands and communications compete with one another” and result in confusion and dilution of impact at the Annual Conference and Local Church levels.
- The agency missions are increasingly connected to and overlapping with the Church’s mission – yet issues of autonomy and lack of accountability get in the way of alignment.

The Survey findings support the interviewee input. In the Survey, respondents were asked to evaluate the General Church’s Program and Ministry Functions effectiveness as a collective group of entities (i.e., GBGM, GBOD, GBHEM, GBCS, UMCOM, GCUIC, GCRR, GCSRW, GCRR, GCSRW, GCUMM, UMPH) on a range of effectiveness characteristics as applied separately to “making disciples of Jesus Christ for the

transformation of the world” and the Four Areas of Focus. Decision-making effectiveness of the Church’s Program and Ministry Functions was evaluated as Below Average across all categories for both “making disciples...” and for the Four Areas of Focus – “making disciples...” had a consistently lower mean score than the Four Areas of Focus across all areas of evaluation. In “making disciples...”, the Program and Ministry Functions were evaluated by more than 60% of respondents as having Below Average accountability for outcomes – additional areas that were rated by 50% or more of respondents as Below Average included: decision-making effectiveness, ability to collaborate on making strategic decisions, ability to deliver results, ability to resolve conflict, competencies to deliver results and ability to lead in the effective and efficient use of financial and human resources. For the Four Areas of Focus there were two categories in which 50% or more evaluated the category as Below Average: ability to resolve conflict and accountability for outcomes. (See Appendix C for Survey findings and data.)

Our finding is that the autonomous organization structure of the General Church’s Program and Ministry Agencies has lessened the value contribution of these agencies as a collective group relative to the greater distance created by this structure and the higher cost of supporting it. Autonomy was cited in the formal interviews as a root cause for the failure of collaboration by creating organizational complexity, disharmony and “distance”. In the virtuous organizational cycle of culture, disharmony and distance come back around to create distrust which has also been cited as a root cause of the failure of collaboration.

The “Distance Equation” Link to Key Processes

The distance equation also applies to the effectiveness of key processes. By creating more effective process vehicles for the integration of goal setting, planning, information sharing, measurement and accountability, the Church can further reduce the “distance” among its foundational structures. These process opportunities are explored later in this section.

Strengthen the Key Organizations and Processes that Drive the Church’s Mission

We have divided the findings in this section of the report into four areas – General Effectiveness Elements, Leadership and Management, Clarity in Legislative versus Operating Entities and Reform Opportunities, and Strengthening Key Processes that Drive the Church’s Mission. These areas are each addressed in further detail as follows.

General Effectiveness Elements

The primary elements that drive structure and process effectiveness are: clarity of responsibility (goal and role clarity), authority to carry out responsibility and accountability for results. In addition, basic competency, which is often assumed, is a key driver of effectiveness.

We have covered the Church's issues of mission clarity earlier in this report. Role and/or goal clarity was evaluated by Survey respondents as below average/mean score in all cases except for Annual Conferences in their legislative capacity and Local Churches as relating to role clarity about who makes what decisions within the Local Churches regarding the mission of "making disciples..."

In the words of one interviewee, the Church "has a systemic allergy to authority". We deal with this issue further in the findings related to Leadership and Management.

Accountability is a widespread culture, process and structure issue within the Church. In the Survey, 50% or more of respondents evaluated every measure of accountability to be Below Average except in the case of accountability of Local Churches for "making disciples..." which was evaluated by 45% of respondents to be Below Average. These Survey findings were reinforced on a consistent and recurring basis throughout the formal interviews.

Competency was evaluated in the Project Survey through the element of "right competencies to make decisions". For the General Church Administrative Functions and Program and Ministry Functions, "right competencies to make decisions" were evaluated as Below Average for both Church missions of "making disciples..." and the Four Areas of Focus. The District had the same Below Average results for both missions and the Local Church was evaluated as Average in "making disciples..." and Below Average in the Four Areas of Focus. (Note: the Annual Conference results were not included because of a language error in the Survey.) The Survey results suggest that competency is a central issue of organizational effectiveness and therefore an opportunity for improvement within the Church.

The finding here is for the Church to pursue mission clarity, role/goal clarity, accountability and competency as a fundamental means of becoming more effective within its current structures and processes – as with culture, this opportunity is foremost about "doing" and leadership.

Leadership and Management

We covered much of this topic earlier under "Mission, Values and Culture." The fundamental issue – which seems to be well understood by the Church's leadership judging from the formal interview process – is that power and authority within the Church primarily resides in its legislative, overtly policy-making body – the General Conference – and that this body meets once every four years, resulting in "Church" decision-making vacuum between sessions.

This issue arose most vividly in the formal interview process when interviewees were asked "who is going to lead change within the Church?" The consistent pattern of response was an expression of uncertainty and skepticism. The opportunity here is for the Church to confront its long standing "allergy to authority". If the Church were to choose to pursue this opportunity, undoubtedly a lengthy process of creativity, debate and discernment would have to occur.

In the meantime, the Church has the opportunity to strengthen its existing leadership structures without altering power or authority. In our findings, the key structures that could be strengthened in order to better fulfill the Church's mission would be the Council of Bishops and the Annual Conference. The Council of Bishops was identified as a key candidate for strengthening because of its broad leadership responsibility for the oversight of the spiritual and temporal affairs of the Church and, importantly, because of the role of the Bishops in the superintendency of the Annual conferences. The Annual Conference is singled out for its key role as the fundamental organizing unit of the Church. This strengthening could be achieved through renewal of purpose, goals and role clarity, better accountability, courageous leadership and better capabilities support resourcing. Strengthening Local Church clergy leadership is also identified as a key opportunity and is addressed under "Key Processes". The Connectional Table was deliberately not included because, in our analysis, the Connectional Table would require an extensive and material restructuring in order to strengthen the Church's leadership.

Clarity in Legislative versus Operating Entities and Reform Opportunities

The Church has a consistent theme of mismatching form and function of legislative and operating entities with their respective governance structures. Some legislative entities (with legislative governance structures) are expected to function as operating entities and some primarily operating entities have heavily legislative/representative governance structures. Some of these mismatches are impeding organizational effectiveness. The structures most often mentioned by interviewees in this regard are the General Conference, the Jurisdiction Conference and the General Agencies. We cover each below along with our findings.

The General Conference

Interviewees made the following observations about the General Conference with respect to its legislative versus operating role.

- "Legislative behavior is not leadership behavior."
- "You cannot manage through legislation – mandates every four years are too infrequent given the pace of change in which the Church is operating."
- "Managing through legislation ends up having declining marginal value and just makes the Book of Discipline more complex and burdensome."

More than 50% of Survey respondents evaluated the General Conference structure as Below Average in all areas except meeting frequency of every four years – effectiveness of decision making leading to best outcomes, process effectiveness (process of producing legislation), decision results effectiveness (right balance between policy and administrative action) and financial stewardship effectiveness in fulfilling its financial responsibility through the budget process and use of financial resources.

Our finding is that the Church's reliance on management through legislation is leading to an increasingly rigid and rule bound culture during a period of time when the Church is attempting to adapt to a changing environment and accomplish the transitioning of its generation bound structure from the older to the younger generations. In the lexicon of the Operations Assessment Project, this phenomenon is a major "blocking force" which is not only frustrating the Church's overall mission effectiveness, connectional spirit and affordability, but also its relevancy.

The Jurisdictional Conference

Much has already been said about the Jurisdictional Conference, but bears repeating in this context. The Jurisdictional Conference is a legislative body at most and, as an administrative or operational body, its functions are redundant with both those of the General Church and the Annual Conference, hence leading to the "distance equation" question of benefit versus cost.

The General Agencies

The General Agencies have the purpose of operating entities but the governance structures of a mix of legislative (representational) and operating (stakeholder and competency) structures. We have included a summary of the Church governing structures for reference in Appendix D.

Because of this governance mix, the General Agency Boards are very large and meet approximately once per year at substantial cost. In some cases, the General Agency Board members out-number the staff of the Agency.

Standards of "best practice" for not-for-profit organization boards, including faith-based boards, are boards of approximately 12 to 24 members. These boards are often constituted with the goals of assembling the competencies, diversity and stakeholder perspectives that the board has determined are important to its mission and oversight responsibilities. In the cases of smaller boards, the challenge is to assemble a multi-faceted group of individuals, many of whom will satisfy multiple objectives relating to competency, diversity and stakeholder perspective. These boards typically meet four times or more per year.

Of the 13 General Agency Boards, two have 24 and 25 members, one has 28 members, and the remaining boards have a membership which ranges from 32 to 89 members. As was mentioned above, the Boards generally meet once a year.

Our finding is that the Agency Boards are generally too large and meet too infrequently to most effectively fulfill their duties of strategic, fiduciary and generative oversight. They are also a significant

expense according to input from our formal interviews. In addition, as was covered previously, the Program and Ministry Agency autonomy and institutional identity add distance to the relationships among the General Church, Annual Conference and Local Church structures at a cost (of autonomy) that may not be necessary. Moreover, Program and Ministry Agency autonomy and independent accountability are cited by interviewees as primary root causes for lack of Agency strategic, operational and resource collaboration and alignment.

Strengthening Key Processes that Drive the Church's Mission

We have identified four core processes that, when strengthened, will significantly amplify and improve the Church's operational effectiveness, affordability and the vitality of the Church's connectional spirit. These processes are:

- The process of forming, developing and managing the Church's pivotal clergy human resource;
- The research and development process of creating "places of worship" models;
- The process of managing the trust-held real estate assets of the Church; and
- The process of improving and standardizing information reporting systems and related management processes.

We have also identified three broad processes that have great potential to enhance the Church's realization of its mission. Two of these processes may require some level of prerequisite structural change, but the third can be undertaken immediately. These processes are:

- Strategic planning;
- Financial planning; and
- Celebrate Success!

All of the above process findings are discussed as follows.

Managing the Church's Pivotal Clergy Human Resource Asset

The Church's clergy are its "front line" in achieving its mission – they are also one of the most fundamental and important points of vital connexion and leadership within the Church. In spite of the pivotal importance of this group, the Church lacks holistic process linkages and alignment from the beginning to the end of the processes of clergy formation, development and management. Further, there appears to be no central "place" of accountability for the entire process. We have somewhat arbitrarily broken up the holistic "clergy" process into call and pre-ordination, seminary and post-ordination for discussion purposes.

The Call and Pre-Ordination Process

Our findings in this area, based on interviewee input, are as follows.

- The Church does not have culture of call where people come from – the challenge is to create “call birthing places”.
- The process of ordination is too long – the process is particularly deterring younger people who are seeking more immediate ministry engagement – one seminary leader said that although the Church is seeing growing seminary classes of under age 30 people, more than half are choosing pathways other than ordained ministry – the length of the process along with the process of ordination were identified root causes along with generational attributes.
- Boards of Ordained Ministry have a high variation in practices – sometimes they think their role is to be an advocate and sometimes an adversary of candidates. They often select people like themselves – many second career people. They lack clear candidate skills and leadership criteria for candidate assessment. The Board members themselves are not appropriately selected and/or trained. Bishops and District Superintendents thought that they should be active participants in the Board process.

The Seminary Education Process

- There were many comments on the education requirements for ordination. They ranged from the Central Conference perspective of the most educated in their communities having a high school diploma and the challenges that creates for ordination to the perspective there should be shorter education alternatives that would meet the requirements.
- Seminary leaders felt that seminary education is not in close connection with the local church/Annual Conference - Church structures “jealously guard ordination responsibilities”. These leaders cited great opportunity for synergy in seminary church connection e.g. strengthen internship programs and shorten apprenticeship portion of ordination process – create common and consistent proficiency measurement – link mentoring processes – joint development of continuing education and assessment etc.
- Seminary leaders noted an improving focus on leadership course training in the Seminary.

The Post-Ordination Process

- There were many interviewee comments citing a need for reforming the system of equitable clergy compensation.
- Many interviewees cited that clergy suffer from lack of clarity of mission – “District Superintendents expect clergy to grow churches, seminaries expect clergy to preach theology, members expect safety and comfort – chaplaincy. There are too many expectations and not enough clarity, clergy cannot please anyone – clergy are trapped between “system” and congregation.”

- A fundamental message is that clergy lack clear criteria on which they are evaluated, they lack a related performance measurement and evaluation process, and they lack a development assessment process that is linked to mentoring and development training and education - “lifelong ministry requires lifelong learning”.

Our key finding regarding the “clergy process” is that although there are discreet opportunities for improvement in the related processes that form, develop and manage clergy, the greatest opportunity is in the potential synergies that can be achieved through a holistic and participatory study and evaluation of the larger process. In reality, this holistic connection is critical to guiding the discreet process opportunities as well.

We would be remiss in not addressing the topic of guaranteed appointment as there was much discussion, energy and input around this area in the formal interview process. Interviewee sentiment was heavily in favor of eliminating guaranteed appointment. We offer a few observations and some independent advice on this topic below.

Our first observation is that there are two central circumstances that appear to be true. First, a large portion of the Church’s clergy has performance effectiveness issues and, second, the clergy is the Church’s primary front line human resource asset in realizing its mission. The combination of these circumstances suggests that a thoughtful, calm and reasoned solution be developed and, particularly, a solution which does not further erode an already fragile human asset. Many of the clergy who we interviewed were in favor of eliminating guaranteed appointment with one key proviso – the prerequisite of creating a clear, objective and transparent performance measurement and evaluation process for clergy. Those clergy who opposed elimination of guaranteed appointment were most often concerned about political, racial and sexual discrimination in the absence of an objective and transparent evaluation system.

The Research and Development Process of Creating Places of Worship Models

Both the Environmental Assessment data and the input from the formal interview process suggested the need for more work, analysis and innovation regarding appropriate models for places of worship given different membership and attendance sizes. These places of worship models would explore various clergy and lay staffing structures and different real estate models for geographic locations with varying membership/attendance sizes and trends. The object of the research and development would be to create alternative approaches to creating affordable places of worship that meet the Church’s mission objectives. More fundamentally, this work could be used both in establishing new places of worship and in adjusting the Church’s existing places of worship portfolio to more appropriately match membership/attendance levels with cost structure in a mission compatible fashion.

The Process of Managing the Trust-Held Real Estate Portfolio of the Church

For many historical and legal reasons, the Church's trust-held real estate assets are controlled at many different levels in the Church. If the demographic and membership/attendance trends in the US continue, the Church will eventually have many real estate assets to redeploy – the challenge is to address the question of whether to do this proactively or reactively and, in either case, to address how this redeployment should best be done to further the mission of the Church. The value of the Church's trust-held real estate holdings can offer the Church a substantial opportunity to resource its mission.

The Process of Improving and Standardizing Information Reporting Systems and Related Management Processes

Earlier in this report we have focused on the importance of accountability and mutual accountability. These accountability goals require transparent, consistent and robust information systems in order to be realized. At a minimum, Annual Conferences and Local Churches should be operating with common financial reporting and business intelligence software systems. In addition, many other systems could also be used in common to facilitate better access to information and greater transparency. The Church also has the opportunity to share best practices more widely and standardize management process around performance measurement, evaluation and accountability. These opportunities will not only improve mutual accountability but will also create a stronger and more vital connexion.

Strategic Planning Processes

The lack of a Church-wide strategic plan or Church-wide strategic plans focused on the Church's mission objectives are a symptom of the structures and cultural behaviors that "get in the way". Many interviewees expressed frustration on this topic. Although structural change may be prerequisite to broader strategic planning, best practices at the Agency, Annual Conference and Local Church levels could at least be shared and disseminated.

Financial Planning Processes

Financial planning processes are in generally a similar state as strategic planning. The Sustainability Advisory Group Final Report (May, 2010) contains a variety of planning recommendations to which we would refer the reader. In addition, the General Church budget process was a focus of critical commentary in the formal interview process. Specifically, the four year budget interval was thought to be "impractical and unrealistic". This was supported by the Survey finding that 51% of the respondents evaluated as Below Average the General Conference "financial stewardship effectiveness in fulfilling its financial responsibility through the budget process and use of financial resources".

The Process of Celebrating Success

As much as we often encountered the self-critical nature of the Church in the course of this project, we have also had an opportunity to learn about the many amazing accomplishments of the Church which are “transforming the world”. Very clearly in our observation, success is under-celebrated within the Church. This was confirmed by interviewees consistently.

So our final finding is the “lever” of celebrating success – **CELEBRATE SUCCESS!**

Operational Assessment Project

Opportunities for Shared Services – Improving Affordability and Effectiveness

Opportunities for Shared Services – Improving Affordability and Effectiveness

A significant finding of the Project, reflected in feedback from both formal Project interviews and informational interviews, are potential opportunities for improved affordability and effectiveness in consolidating select support services and, in some cases, standardizing systems infrastructure. Potential benefits include not only lowering costs and improving service quality, but also creating transparency of information to support improved measurement and accountability systems.

Potential shared services opportunities cited in the interview process included the following: financial accounting and reporting services and systems infrastructure, human resources services and systems infrastructure, investment management, health benefits contracting and management, communications, certain publishing infrastructure services, certain aspects of fund raising development, leadership training and development, information technology infrastructure and services, research and data/information collection and management, and interpretation/translation. These opportunities were cited for the General Church, Annual Conference and Local Church areas of the Church.

The primary goals of creating “shared services” is to create economies of scale and improved quality at the support service level, not the decision making level. Creating shared services is often viewed misguidedly as a threat to autonomy, but when well designed, planned and implemented, shared services offer improvements that sometimes preserve the ability to maintain intentional autonomy. In some cases, shared services will require a mandatory “opt in” in order to achieve optimal economies of scale and, in other cases, opting in may be “optional”.

Shared services can be created by consolidating services in an existing organization entity or new structures/entities can be created to provide the shared service. Successful shared service organizations create a “customer” relationship between the entity that purchases the services and the shared service provider. Even though these entities are part of a common organization, there is frequently a formal shared service contract that specifies shared service pricing and performance metrics so that the shared service organization is accountable for “serving” its internal customers.

From a process standpoint, creation of shared services begins with a feasibility study or analysis to assess cost and quality opportunities. Pending the outcome of this assessment, a shared service implementation plan – with participation requirements articulated – is normally created with process and outcome measurement milestones.

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Appendix 9

Apex Appendices

The United Methodist Church
Appendices
Operational Assessment Project
Report to the Call to Action Steering Team



THE UNITED METHODIST CHURCH

APPENDICES

Operational Assessment Project

Report to the Call to Action Steering Team



APEX HG LLC

Prepared by APEX HG LLC

June 29, 2010

APPENDICES

Operational Assessment Project

Appendix A: Environment Review and Assessment	Page
Executive Summary	1
Project Survey Findings Regarding Environmental Understanding and Organization Change Dynamics	3
Introduction	4
The External Environment and the Religious Landscape in the United States	4
TUMC Membership and Attendance Trends	5
US Membership and Attendance Trends by Church Membership Size	8
Church and Preaching Places Trends: 1998-2008	9
TUMC Attendance and Membership Demographics	12
Faith Trends	13
Clergy Trends	15
Financial Trends	20
Appendix B: Interview Lists and Protocol	
COUNCIL OF BISHOPS INTERVIEW LIST	25
INTERVIEW LIST	26
TUMC Operations Assessment Core Interview Protocol	28
Appendix C: Survey Findings and Summary Survey Data	
Survey Design and Purpose	31
Survey Sample Profile and Response Rate	32
Summary of Survey Results	33
Survey Results	37
Appendix D: Constituent Organizations Role and Governance Structure	53

APPENDIX A

TUMC ENVIRONMENT REVIEW AND ASSESSMENT

Executive Summary

Global Summary

- Global membership grew from 1998 to 2005 as US declines were offset by non-US growth. From 2005 to 2008, global membership declined due to US declines and a significant decline in the Congo Central Conference.
- The Church experienced declines in total churches and preaching places from 1998 to 2008 both in the US and non-US regions. The non-US region decline was driven by increases in the West Africa and Philippines Central Conferences more than offset by a decline in the Congo Central Conference.
- Additional detailed data is not available on a global basis.

US Summary

- Membership, Attendance and Number of Churches – 1998 to 2008 Period (the “Period”)
 - The US Church experienced Period declines in membership and average weekly worship attendance of 7% and 9%, respectively. The heaviest declines occurred in the North Central, Northeastern and Western Jurisdictions. In 2008, 60% of the membership resided in the Southeastern (37%) and South Central (23%) Jurisdictions.
 - On the basis of church size, membership distribution shifted away from churches with 200 to 999 members and to churches with 3,000+ members – attendance followed a similar pattern.
 - During the same Period, the number of US churches declined by 6%. Membership distribution remained constant at the 199 member and less church size due in part to the fact that churches of this size accounted for three percentage points more of the total church inventory by the end of the Period (2008). Churches in the 300 to 499 member size category declined by one percentage point of total church inventory over the Period.
 - The Church’s ethnic/racial membership demographic profile remains little changed over the Period, with a three percentage point increase in the “White” demographic and a one percentage point increase in the “African American/Black” demographic as a percentage of total church membership - in 2008, the Church membership was predominantly “White” (90%).

- Data from 2009 showed that the Church is significantly generation bound relative to US age demographics with approximately double the US age representation in the age 65 and older segment and approximately half the US age representation in the age 18 to 44 segment.
- Faith Trends over the Period
 - Professions of Faith and Baptisms declined over the Period by 25% and 31%, respectively.
 - Faith Restored increased by 25% over the Period.
- Clergy Trends over the Period
 - Total Annual Conference clergy (including local pastors/FL/PL) increased by 3% over the Period – excluding local pastors/FL/PL, clergy declined by 2% over the Period. Local pastors/FL/PL increased by 54% over the Period.
 - Clergy growth occurred primarily in the Southeastern Jurisdiction with little or no growth in the remaining jurisdictions.
 - Although there have been significant nominal increases in diverse clergy ethnic/racial categories over the Period, total clergy remain predominantly “White” (88%) and male (76%) in 2008. Female clergy have become an increasing percentage of total clergy over the Period and, although this trend has occurred across all jurisdictions, significant variation remains among jurisdictions in 2008.
 - Average age of clergy rose from 49 in 1998 to 54 in 2008.
- Financial Trends and Profile Data over the Period
 - Total Local Church Expenditures increased by 49% over the Period and, on a per member and per attendee basis, by 61% and 64%, respectively, over the Period. These trends were experienced by all jurisdictions with substantive variation in expenditures per member/attendee and rate of increase among jurisdictions.
 - The estimated 2008 local church expenditure profile is as follows: 36% building, maintenance and debt payment, 34% clergy and lay staff salary and benefits, and 20% apportionments and other benevolent giving and program expenses.
 - Over the Period, local church inflation adjusted benevolent spending forwarded to the Annual Conference declined by 22% while other local church inflation adjusted benevolent spending increased by 77%.
 - General Church paid apportionments increased by 24% over the Period.
 - The estimated 2008 market value of total Church real estate holdings was almost 15 times the Church’s total indebtedness.
 - In 2008, estimated net funds flow was positive across all jurisdictions. However, 77% and 16% of the estimated positive funds flow originated from the Southeastern and South Central Jurisdictions, respectively, for a total of 93% of total 2008 net funds flow.

Project Survey Findings Regarding Environmental Understanding and Organization Change Dynamics

Below is a summary of change dynamics findings – See Appendix C for complete findings.

Survey respondents evaluated the following groups in the parameters of the environmental assessment: Bishops as individuals, The Council of Bishops as a collective entity, General Agency executives, General Agency Board and Commission members, Annual Conference leadership, pastors in local churches and lay leadership in local churches.

- In terms of degree of understanding of the Church's trends, dynamics and circumstances, all groups except lay leadership were thought to have an Average or Above Average understanding – Bishops as individuals and as a Council were thought to have the highest understanding with Bishops as individuals higher than the Council.
- Belief in need for change showed a similar pattern with the difference that all groups were thought to have an Above Average belief in need for change with the exception of lay leadership which was Below Average – again Bishops as individuals and as a Council were thought to have the highest belief in need for change with Bishops as individuals higher than the Council.
- Willingness to lead change was another parameter on which respondents were asked to rank the various groups. Bishops and individuals and as a Council were thought to have an Above Average willingness to lead change (individuals higher than Council) and Annual Conference leadership was considered to have an Above Average willingness to lead change. General Agency executives were rated Average and the remaining groups Below Average with lay leadership the lowest.
- Likely resistance to change was thought to be highest (Above Average) among General Agency executives and governing members and lay leaders with pastors lower but still Above Average. Bishops as individuals and as a Council were considered to have likely resistance to change of Below Average.

Introduction

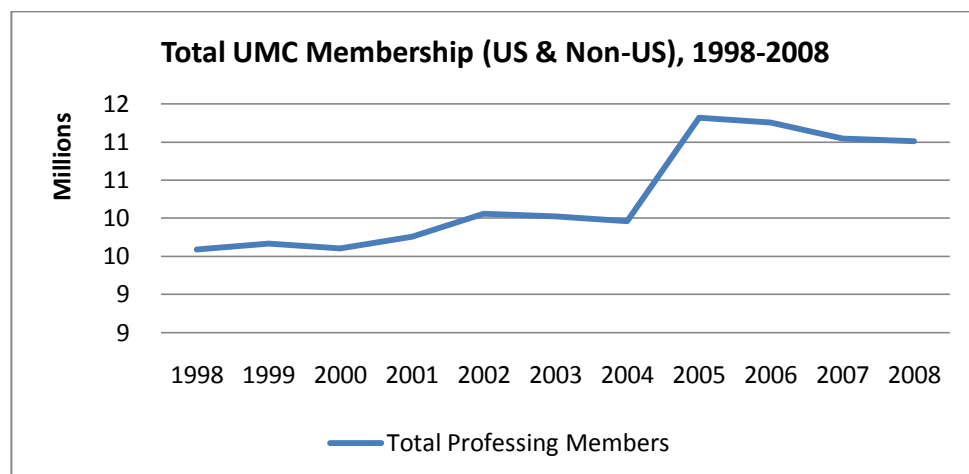
The following document provides a review of information that was collected to establish an understanding of the United Methodist church's external and internal environment in order to create a basic context for this report. The information was collected to cover the most recent ten year period for which data is available – 1998 to 2008 – under the basic premise that ten years is a reasonable “actionable” period of time leading up to the Church's current circumstances. In some cases, requested information was not available and, in general, there were concerns expressed regarding information consistency, accuracy, and reliability. The information collected for this period includes membership and attendance trends, church and preaching places trends, membership/attendance demographics, faith trends, clergy trends, and financial trends.

The External Environment and the Religious Landscape in the United States

The United Methodist Church is a global church with its membership and financial support primarily residing in the United States. In this report, we do not wish to over or understate the importance of the Church's “external environment”, but rather to acknowledge the substantial forces, many which the Church is a part of, which have an influence on the Church's destiny. Many of these forces have been well documented so we will not repeat them in detail here, but we wish to acknowledge them specifically below.

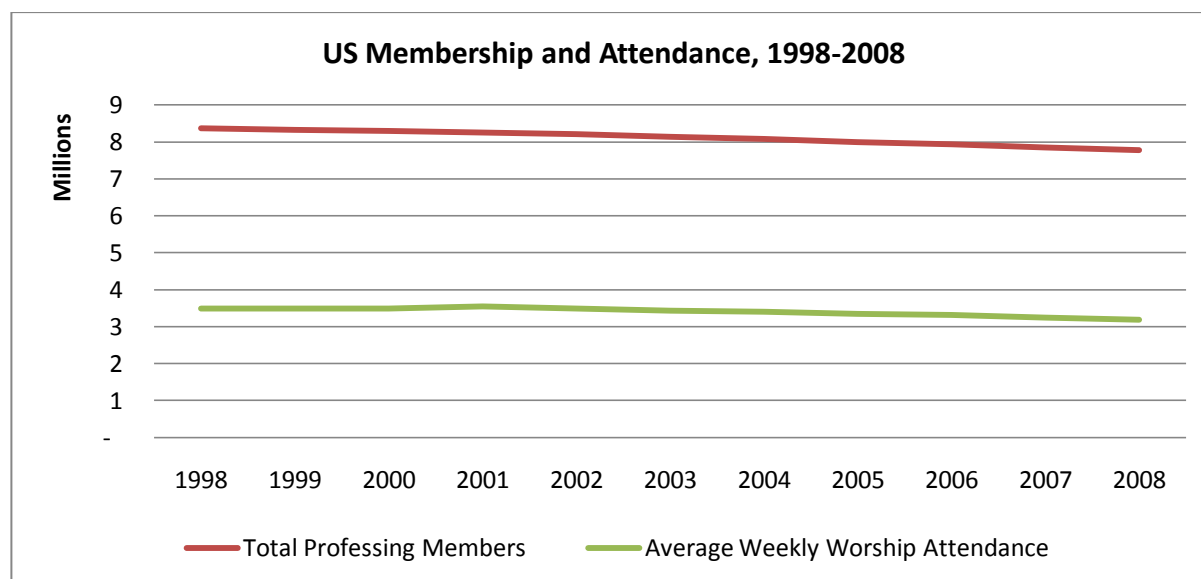
- Continuing shifts in the global politics of humanitarian aid and crisis intervention.
- The recent and continuing financial shocks in the U.S. and much of the “western world” and the continuing growth and vibrancy of the “emerging markets”.
- Technology driven changes in media and social networking.
- Aging demographics and changing racial and ethnic demographics in the U.S. and much of the “western world”.
- Change in the U.S. religious landscape as well documented in the following Studies:
 - “U.S. Religious Landscape Survey”, Pew Forum on Religion and Public Life, February, 2008.
 - “Religion Among the Millennials”, Pew Forum on Religion and Public Life, February, 2010.

TUMC Membership and Attendance Trends



Sources: Annual Conference Statistical Reports

Total TUMC membership grew from 1991 through 2005 due to growth outside of the United States. (Note: data reporting outside the US may lack consistency.) Total membership has declined from 2005 through 2008, with declines in both the US and non-US geographies, again qualified by potential non-US geography data issues.. Global membership of approximately 11.01 million in 2008 was distributed with approximately 71% in the US and 29% outside of the US. US membership and attendance declined by 7% and 9%, respectively, between 1998 and 2008.

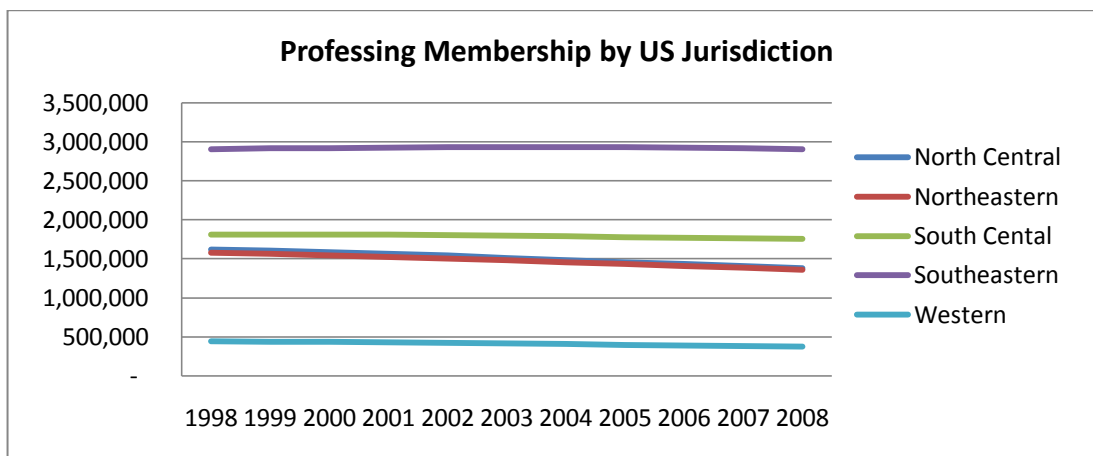


Source: Annual Conference Statistical Reports (For US, Table 1)



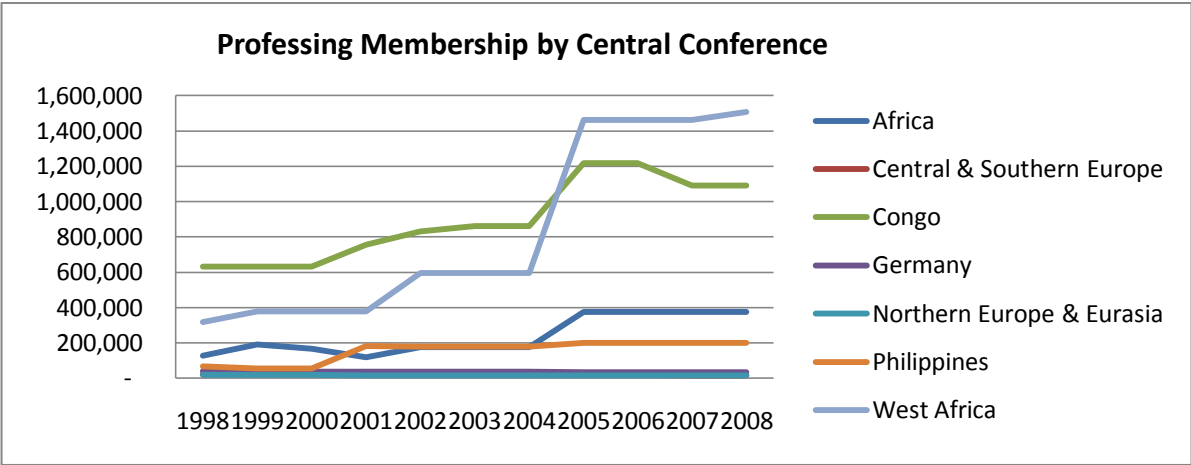
Sources: Annual Conference Statistical Reports

From 1998 to 2008, professing membership by US Jurisdiction has declined slightly in the Southeastern Jurisdiction (-2.9%) and has remained level in the South Central Jurisdiction. These two Jurisdictions accounted for 37% and 23%, respectively, of the US Professing Membership in 2008. During the same period, the remaining Jurisdictions experienced declines from 14.0% to 15.9%. The remaining Jurisdictions accounted for 40% of the US Professing Membership in 2008, with the Western at 5% and the Northeast and North Central Jurisdictions at 17% and 18%, respectively.



Source: US Local Church Statistics (Table 1)

During the period from 1998 to 2008 Central Conference professing membership growth was highest in the West Africa and Congo Conferences and these same conferences present the highest memberships among Central Conferences in 2008. The Germany and Northern Europe & Eurasia Central Conferences remained flat. Decline in membership in the Congo drove the overall decline in Central Conference membership from 2005 to 2008.



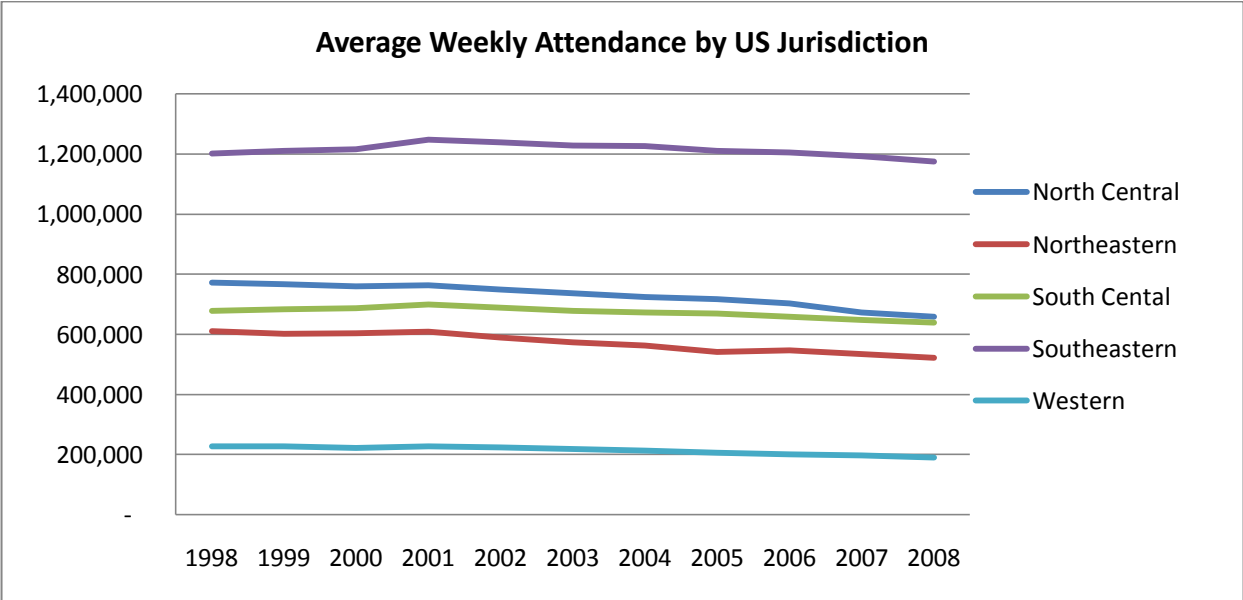
Sources: Annual Conference Statistical Reports

Footnote: Flat membership patterns may be due to non-reporting for several data years. When a conference does not the previous year's data is carried forward. Most conferences submitted updated statistics in 2005 for the report, calculation of General Conference delegates.

West Africa – 2005 first year for Cote D'Ivoire statistical reporting (677,355 members reported)

Congo – 2005 large jump in North Katanga and Tanganyika/Tanzania reporting

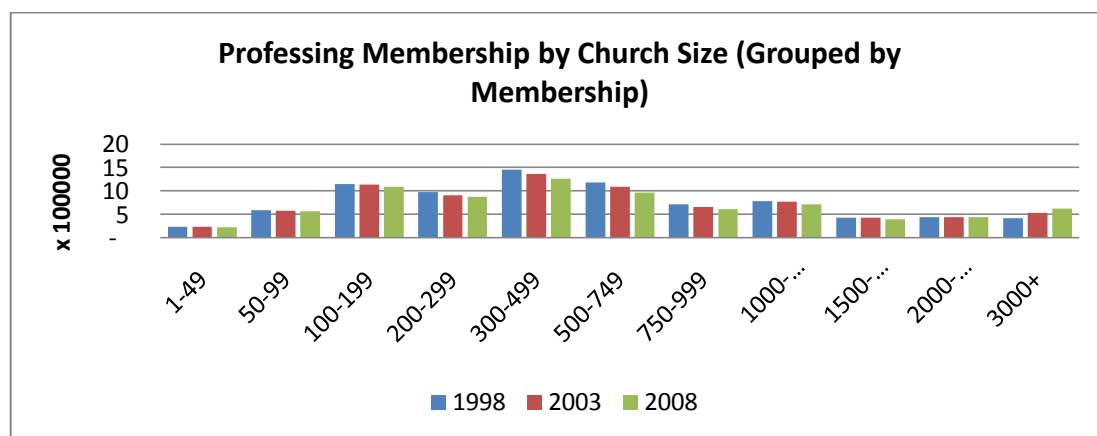
US Jurisdictions average weekly worship attendance has declined in every jurisdiction from 1998 to 2008. Interestingly, the North Central and Western Jurisdictions have the highest rates of average weekly worship attendance to professing membership. As with membership, attendance declines were most significant in the Western, Northeastern, and North Central Jurisdictions (17%, 15%, and 15%, respectively). Attendance data is not available for the Central Conferences.



Source: US Local Church Statistics (Table 1)

US Membership and Attendance Trends by Church Membership Size

From 1998 to 2008, absolute professing membership distribution has shifted slightly to churches with professing members of 3,000 or more. In percentage terms, membership in churches below 100 members and from 100-199 members remained constant from 1998 to 2008, at approximately 10% and 14% respectively. As can be seen from the table below, membership distribution declines occurred primarily in churches with 200 to 999 members. Church distribution by Church size remained relatively constant over the ten year period with 70% of churches below 199 members in 2008 versus 67% in 1998.



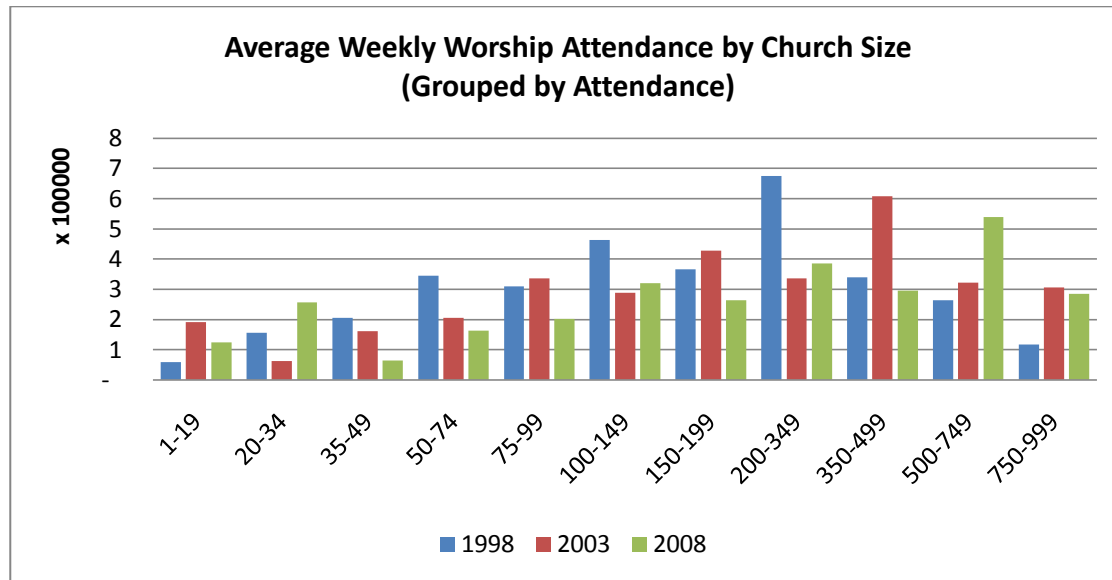
Source: US Local Church Statistics (Table 1)

Footnote: Membership categories from *General Minutes* distribution tables

2008 and 1998 US Membership and Church Distribution by Church Size

Membership Distribution				Church Distribution		
Church Size	1998	2008	Change	1998	2008	Change
1-49	3%	3%	0%	22%	23%	1%
50-99	7%	7%	0%	23%	24%	1%
100-199	14%	14%	0%	22%	23%	1%
200-299	12%	11%	-1%	11%	11%	0%
300-499	17%	16%	-1%	11%	10%	-1%
500-749	14%	12%	-2%	5%	5%	0%
750-999	9%	8%	-1%	2%	2%	0%
1000-1499	9%	9%	0%	2%	2%	0%
1500-1999	5%	5%	0%	1%	1%	0%
2000-2999	5%	6%	0%	1%	1%	0%
3000+	5%	8%	3%	0.3%	0.4%	0%

The distribution of average weekly worship attendance by church membership size has followed a similar pattern over the same period.

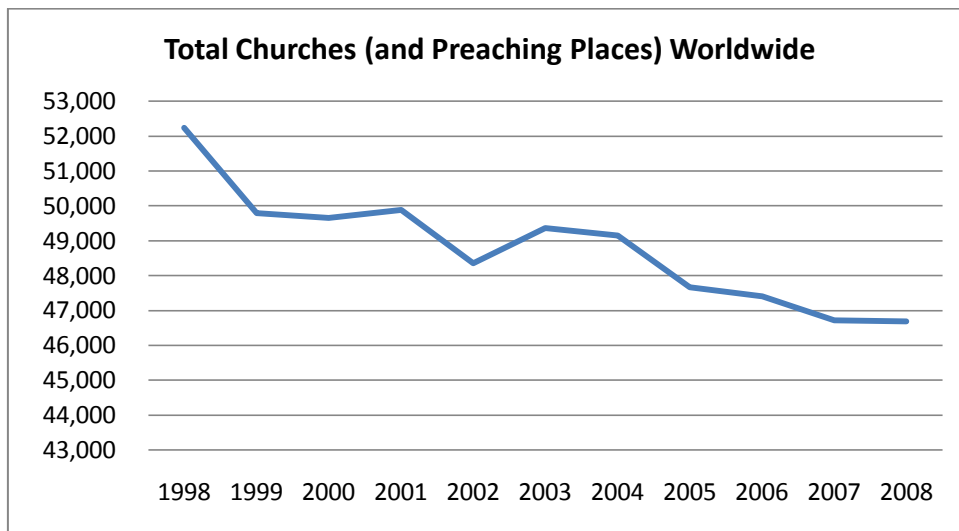


Source: US Local Church Statistics (Table 1)

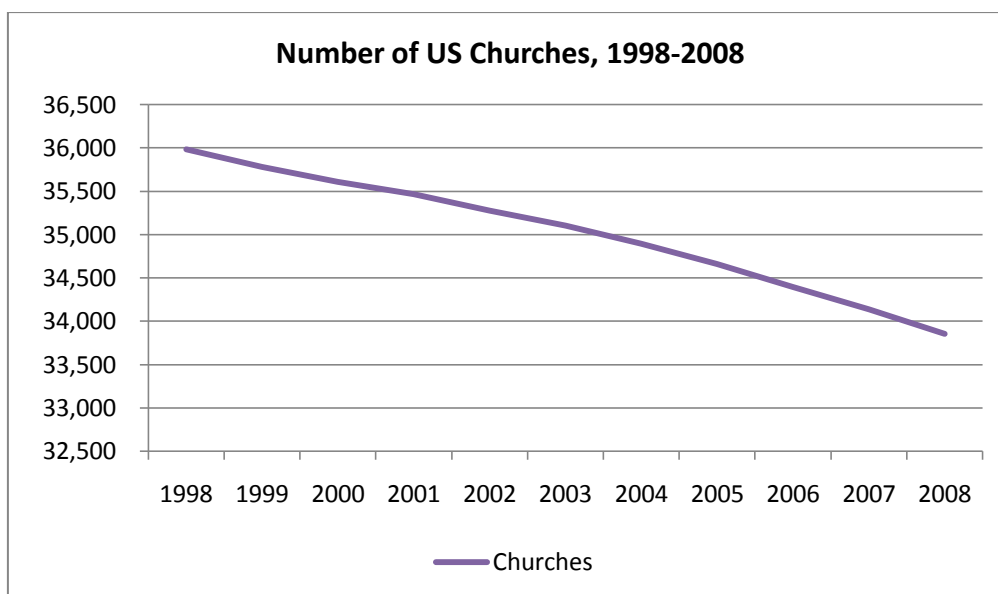
Footnote: Attendance categories from General Minutes distribution tables only include categories up to 999. In 2008, the number of churches with average weekly attendance of 1000 and greater was 153.

Church and Preaching Places Trends: 1998-2008

Total churches and preaching places appear to be declining over the 1998 – 2008 period, primarily driven by decline in the United States. The number of US churches declined by 6% over the period (in comparison to a 7% total decline in membership over the same period). Worldwide church and preaching places counts are affected by the consistency of Central Conference reporting, as is evidenced by the Central Conference trend data below.

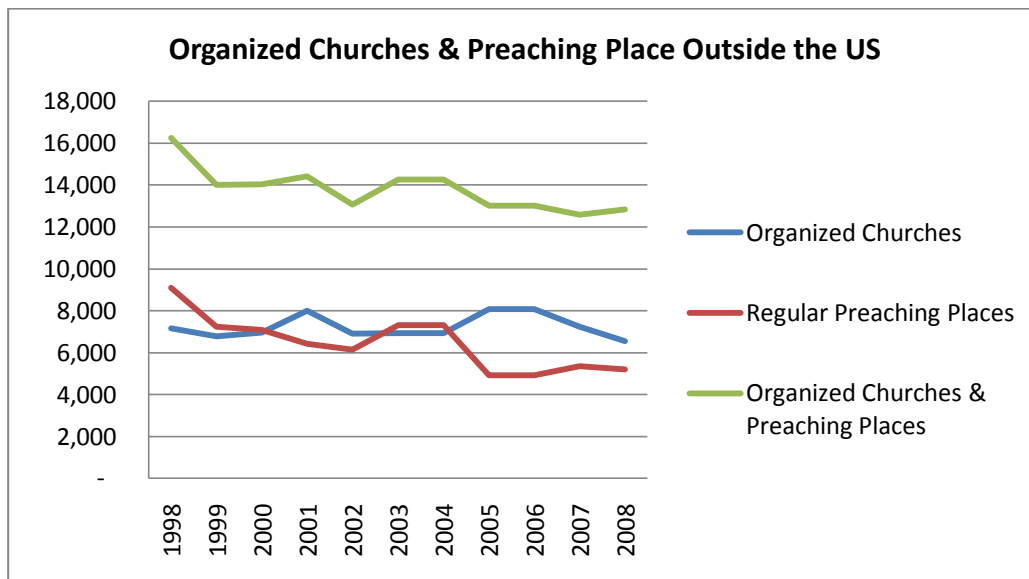


Source: *General Minutes* Recapitulation Table 2, Annual Conference Statistics



Source: *General Minutes* Recapitulation Table 2

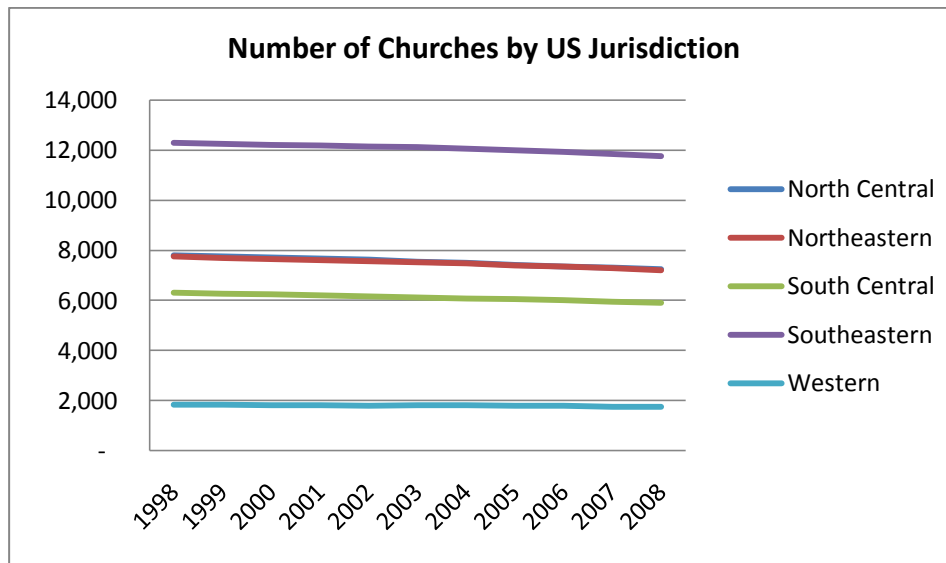
Regular Preaching Places have declined more than Organized Churches outside of the US over the 1998 – 2008 period.



Source: Annual Conference Statistics

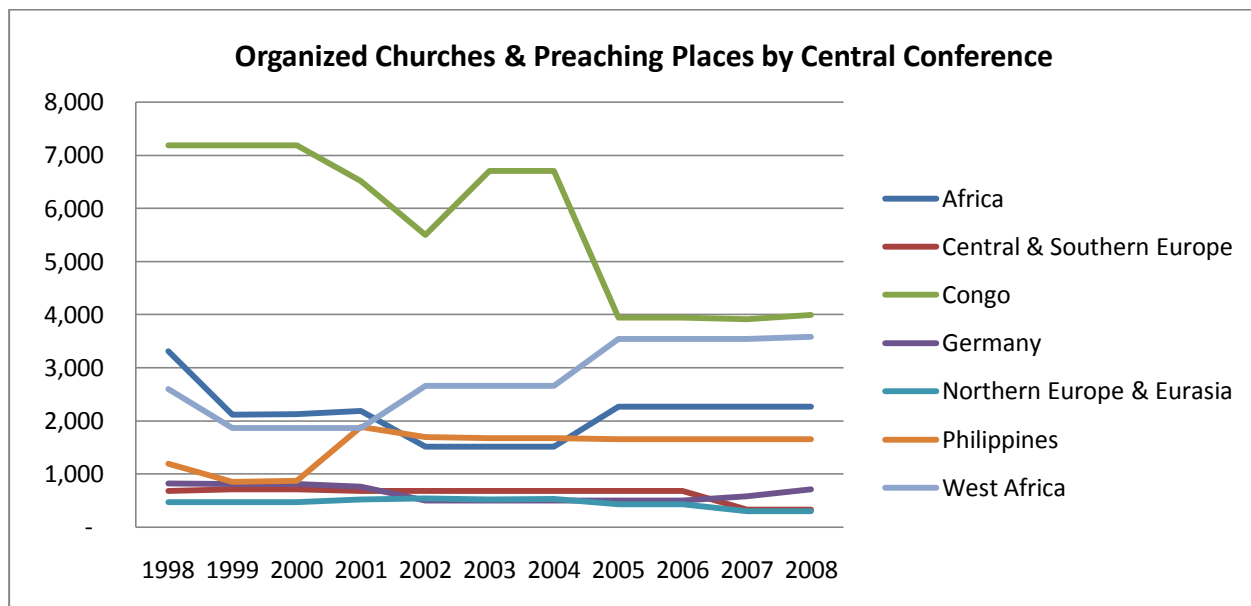
Footnote: Some non-reporting issues, missing data replaced with previous year's data.

In the US, all Jurisdictions have experienced declines in churches over the 1998 – 2008 period, although the Western Jurisdiction declines were minor.



Source: *General Minutes* Recapitulation Table 2

Footnote: North Central and Northeastern lines are overlapping.



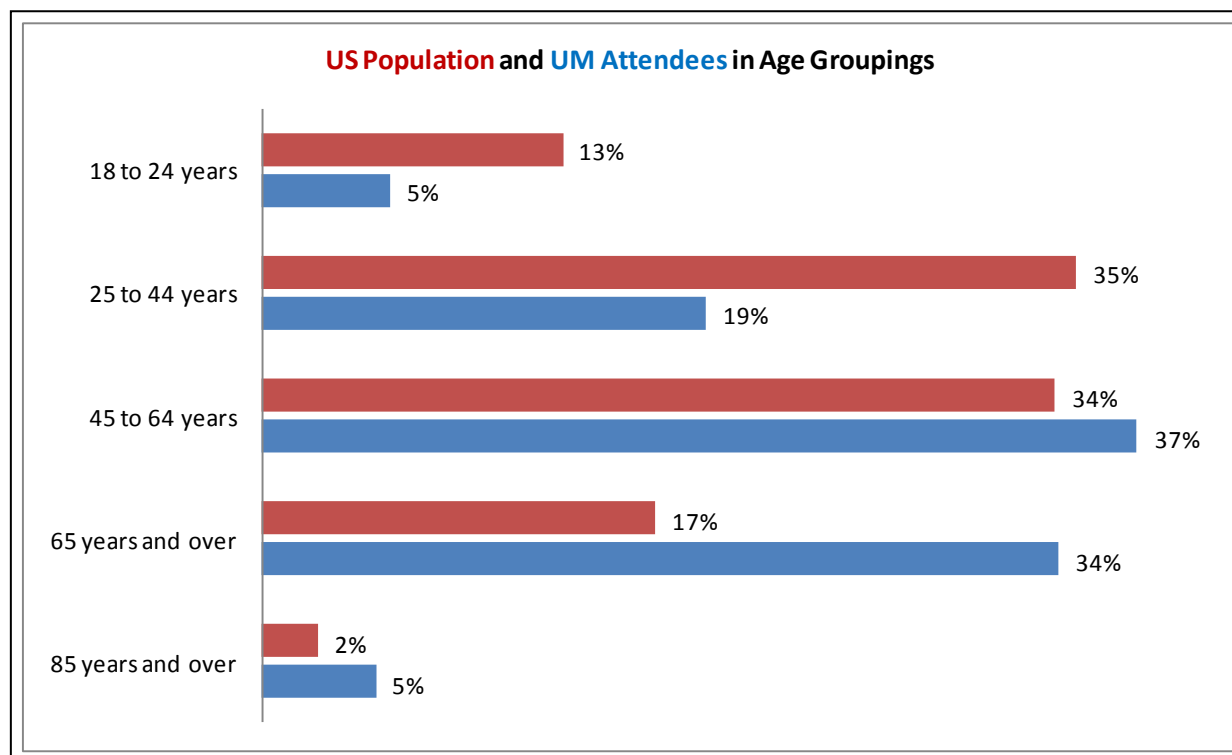
Source: Annual Conference Statistics

Footnote: Some non-reporting issues, missing data replaced with previous year's data. Congo-Congo Central reported large decrease number of preaching places in 2005.

Although data reliability in Central Conference reporting may be questionable, the data would indicate an increasing trend line for West Africa and the Philippines, a decreasing trend in the Congo, and a relatively flat trend in the remaining Central Conferences for the 1998 – 2008 period.

TUMC Attendance and Membership Demographics

The United Methodist church in the United States has a significantly generation bound profile with approximately double the US age representation in the age 65 and older generations and approximately half the US age representation in the age 18 to 44 generations.



Source: US Congregational Life Survey 2009. Survey of individual worshippers in the pew on a given Sunday. Includes worshippers age 15 and up. Multiple members of household may have completed the survey.

Footnote: red represents US population (Census data); blue represents survey respondents

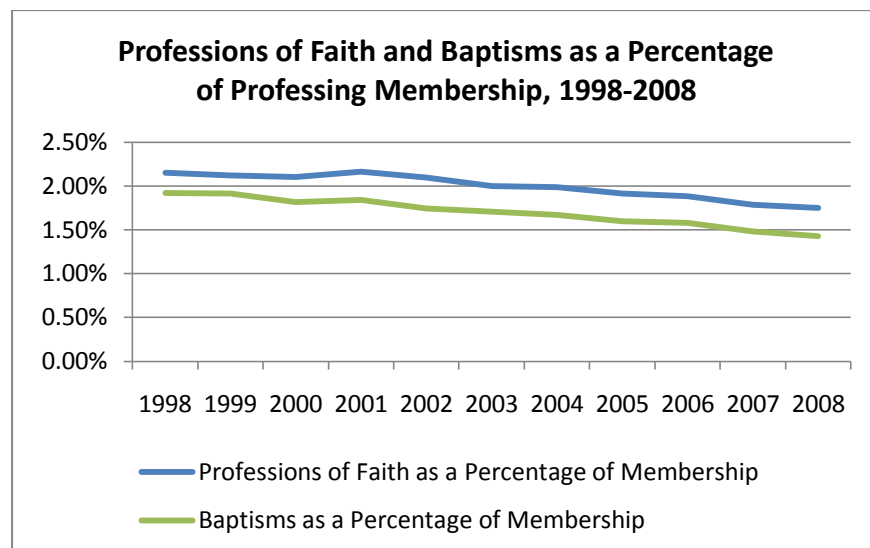
Membership Ethnic Demographics: 1998 and 2008			
% Membership Distribution			
	1998		2008
Asian	0.7%		1.1%
African American/			
Black	4.6%		5.8%
Hispanic	0.5%		0.7%
Native American	0.2%		0.3%
Pacific Islander	0.1%		0.2%
White	86.9%		90.0%
Multi-Racial	NA		0.4%

Source: GCFA

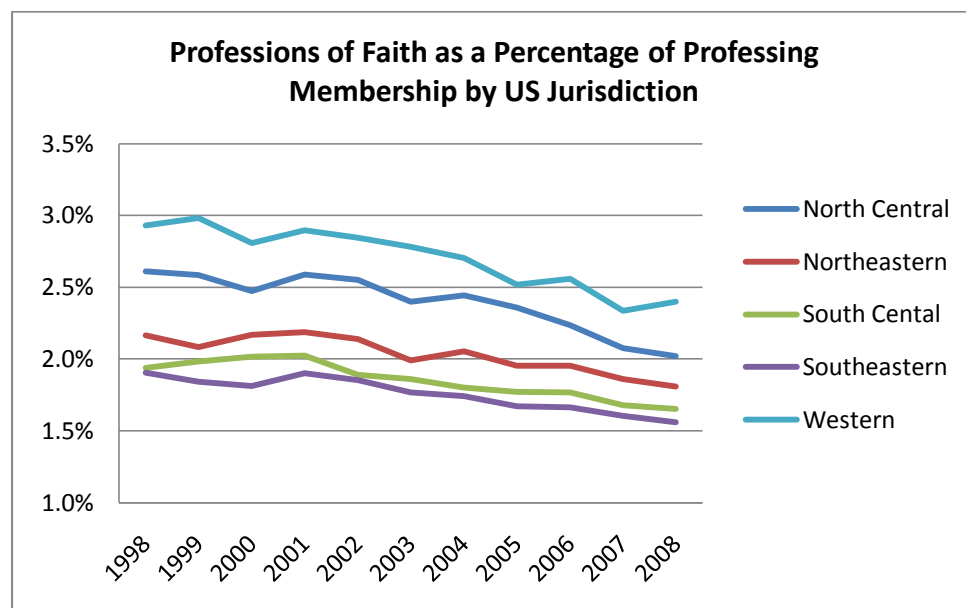
The Church's racial and ethnic profile has remained relatively constant over the 1998 to 2008 time period, remaining largely "white" in profile.

Faith Trends

Professions of Faith and Baptisms have experienced significant and steady declines from 1998 to 2008. These declines have occurred across all US Jurisdictions and across churches of all sizes. From 1998 to 2008, Professions of Faith declined 25% from a base of approximately 180,000 and Baptisms declined by 31% from a base of approximately 160,000. Faith Restored grew by 25% from a base of approximately 20,000 during the same period (source: GCFA – note: “faith restored” applies to affirmation events in which a person of Christian faith who has been inactive becomes active in the Church).

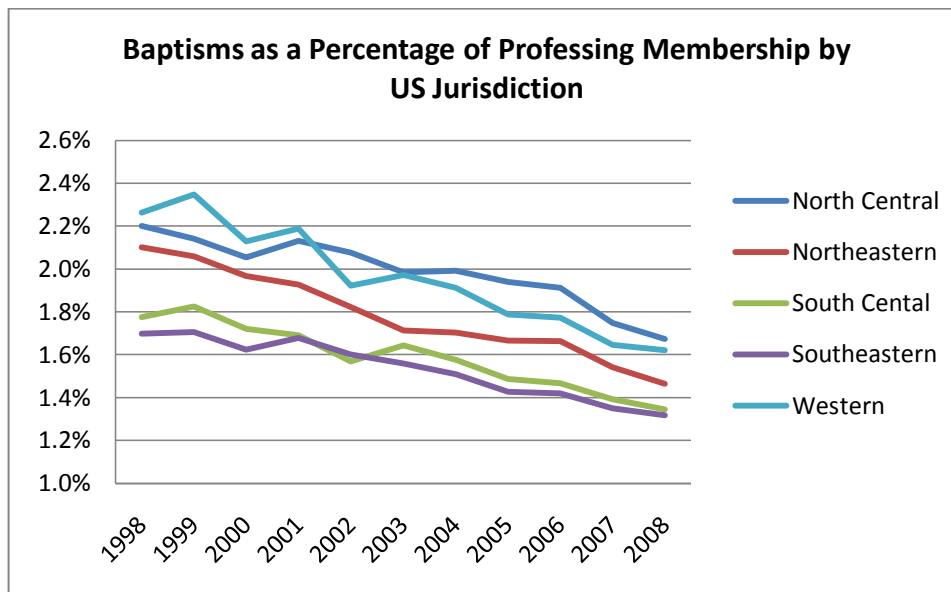


Source: Annual Conference Statistics (Table 1)

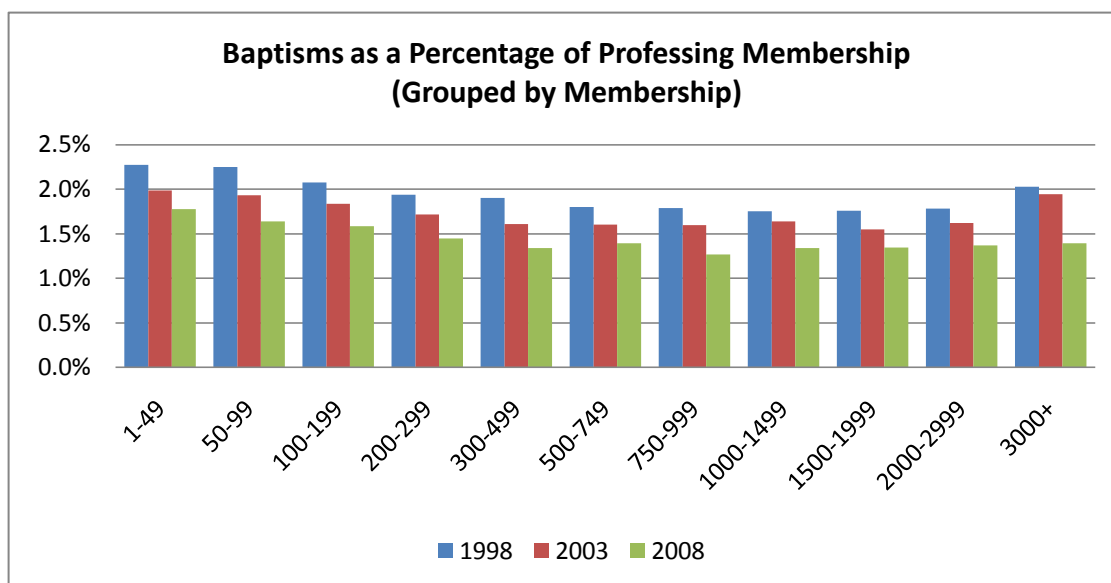


Source: Annual Conference Statistics (Table 1)

Footnote: Includes persons received on profession of faith

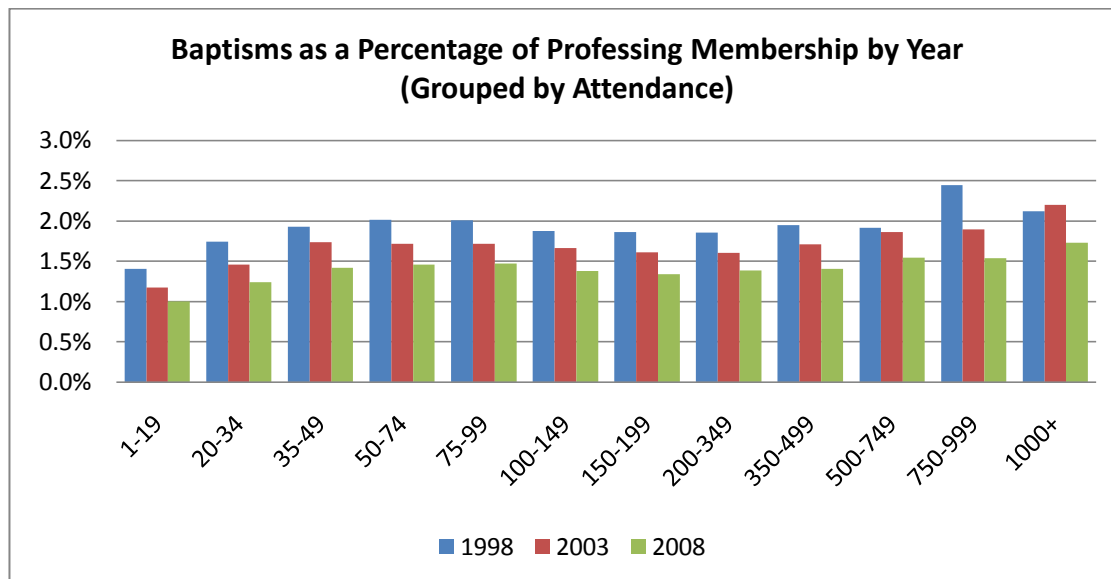


Source: Annual Conference Statistics (Table 1)



Source: Annual Conference Statistics (Table 1)

Footnote: Membership categories from *General Minutes* distribution tables

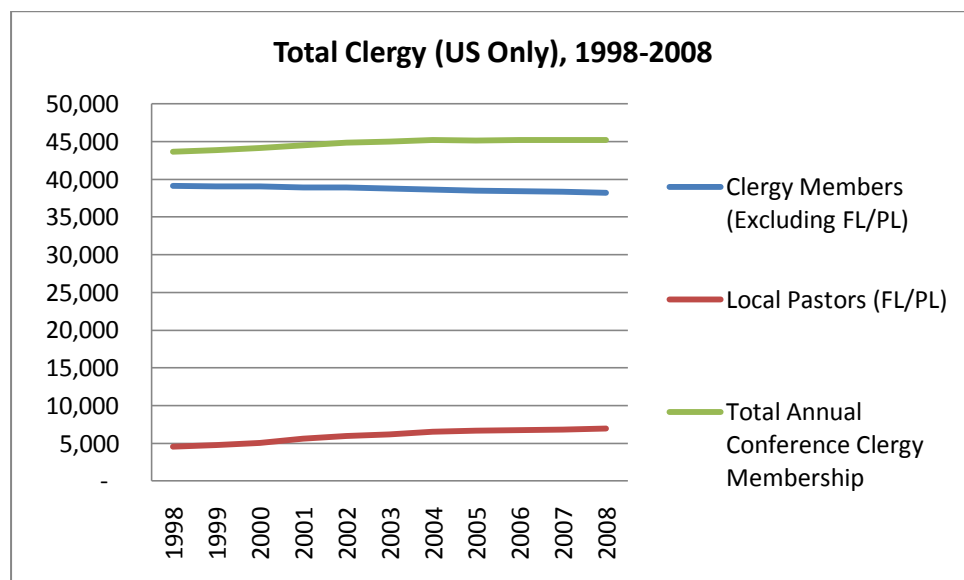


Source: Annual Conference Statistics (Table 1)

Footnote: Attendance categories from *General Minutes* distribution tables

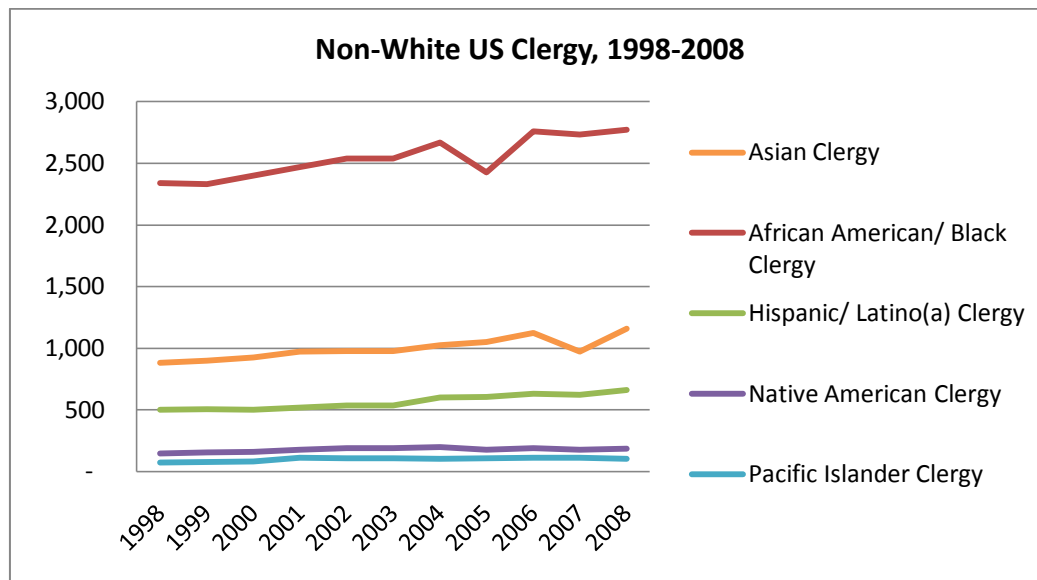
Clergy Trends

From 1998 to 2008, Annual Conference clergy membership has increased by 3%. Clergy members, excluding FL/PL, have declined by 2% and Local Pastors (FL/PL) have increased by 54%.



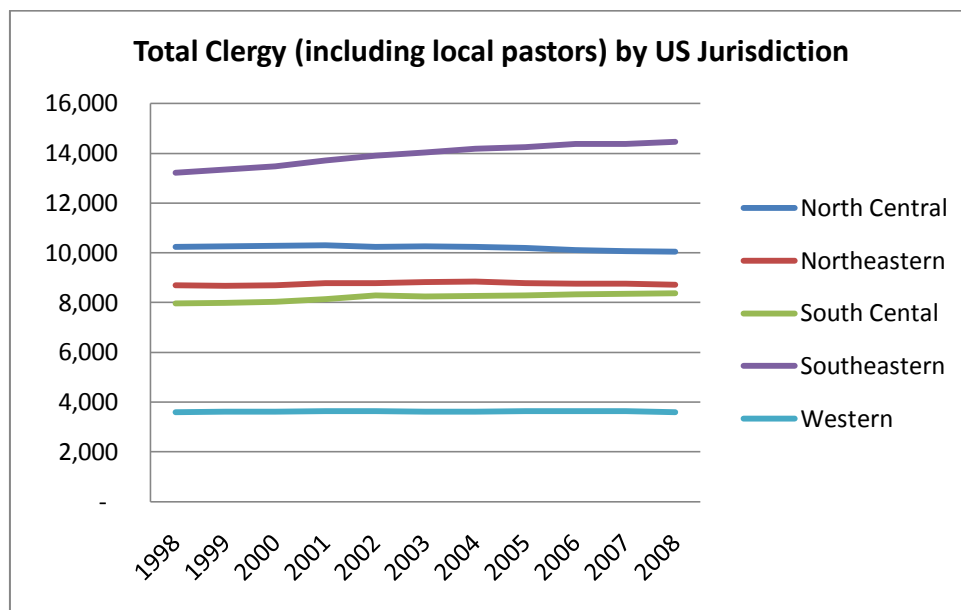
Sources: *General Minutes* Recapitulation Table 4 and *General Minutes* Central Conference Statistical Summary

Although there have been significant nominal percentage increases in diverse clergy racial/ethnic categories over the 1998 to 2008 period, the total clergy remain predominantly white (88%) and male (76%) in 2008.



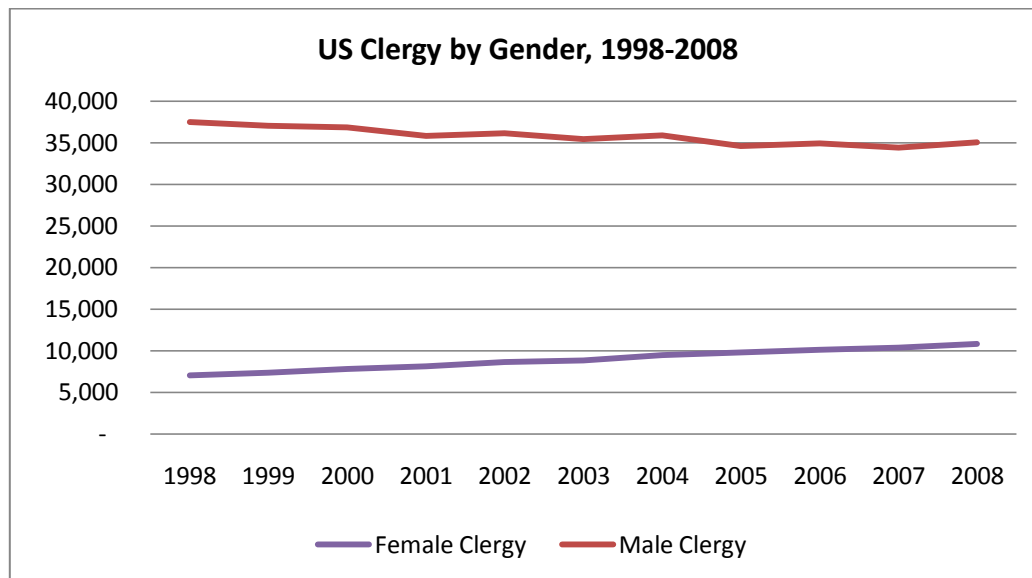
Source: Business of the Annual Conference reports

Clergy trends by US Jurisdiction from 1998 to 2008 were flat in the North Central and Western Jurisdictions. There were slight increases in the Northeastern and South Central Jurisdictions due to growth in Local Pastors (FL/PL). The Southeastern Jurisdiction saw growth in both total Clergy and Local Pastors (FL/PL).

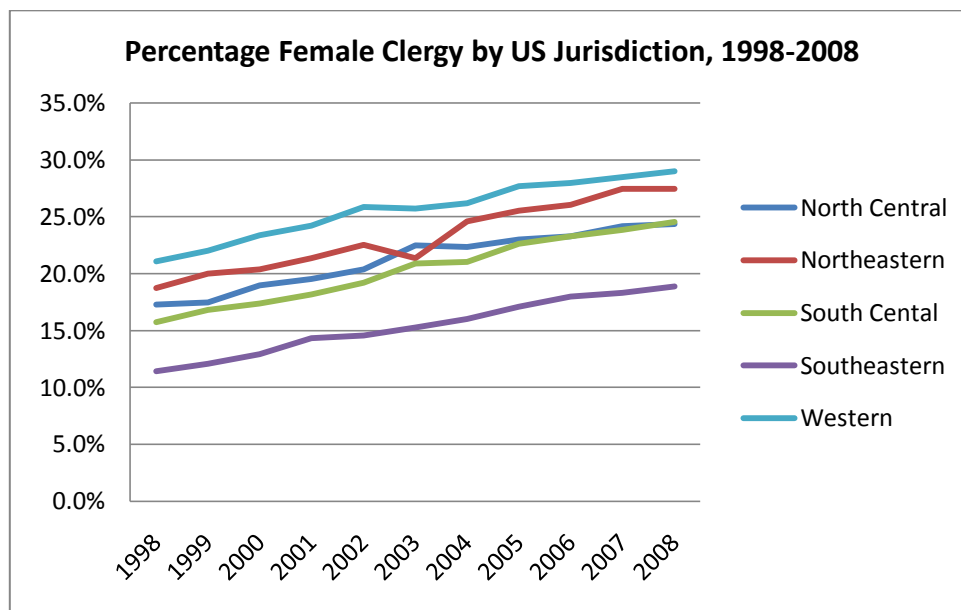


Source: General Minutes Recapitulation Table 4

Female clergy have been an increasing percentage of the clergy population from 1998 to 2008. This trend has occurred across all jurisdictions, but significant variation among jurisdictions remains in place.

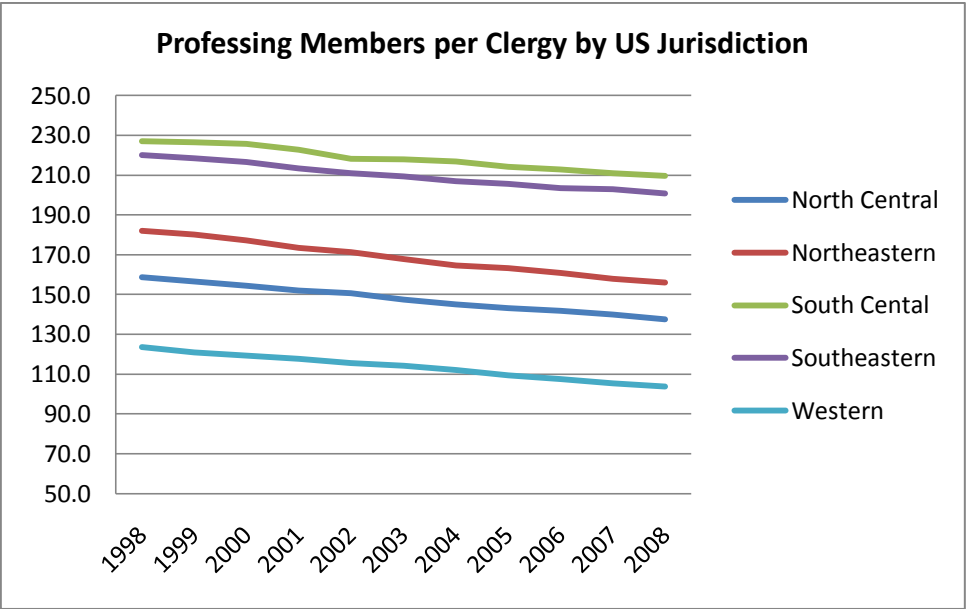


Source: Business of the Annual Conference reports

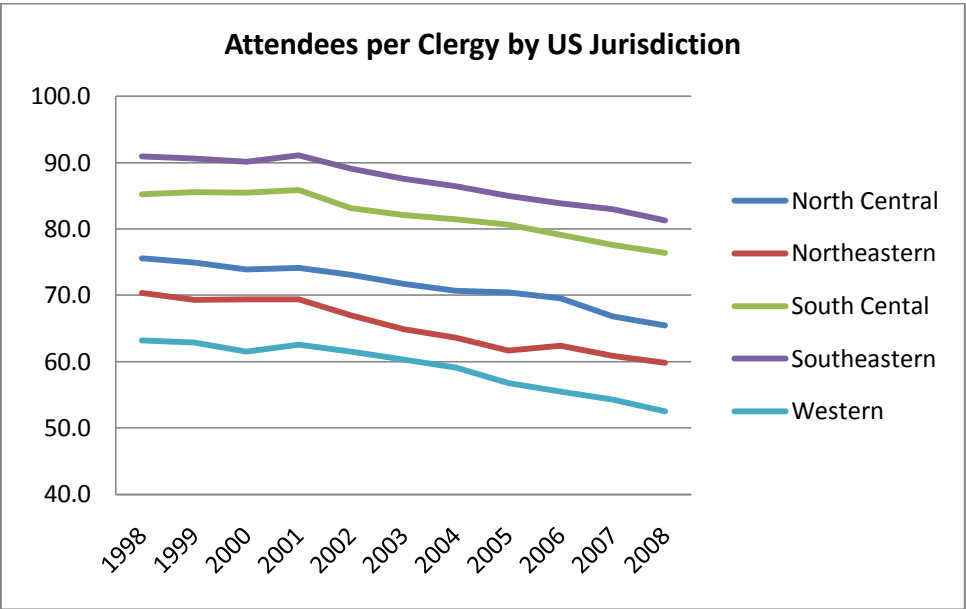


Source: Business of the Annual Conference reports

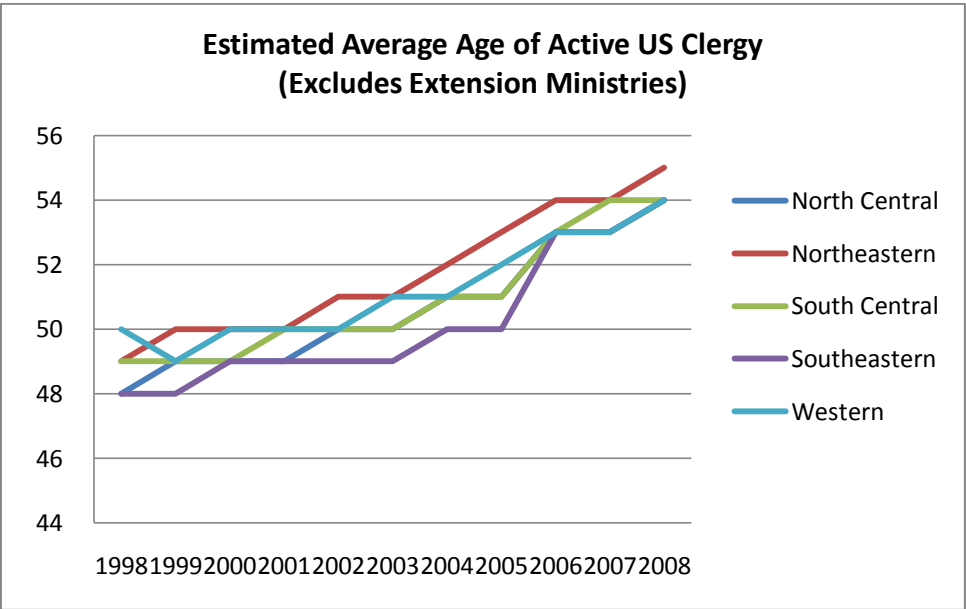
Professing members and attendees per clergy declined in all jurisdictions from 1998 to 2008.



Source: Business of the Annual Conference reports, Annual Conference Statistics (Table 1)



In 2008, average clergy age was estimated at 54.2 and has increased across all jurisdictions from a total average age of 48.8 in 1998.



Source: Pastor birthdates from General Board of Pensions and Health Benefits matched with GCFA pastor records

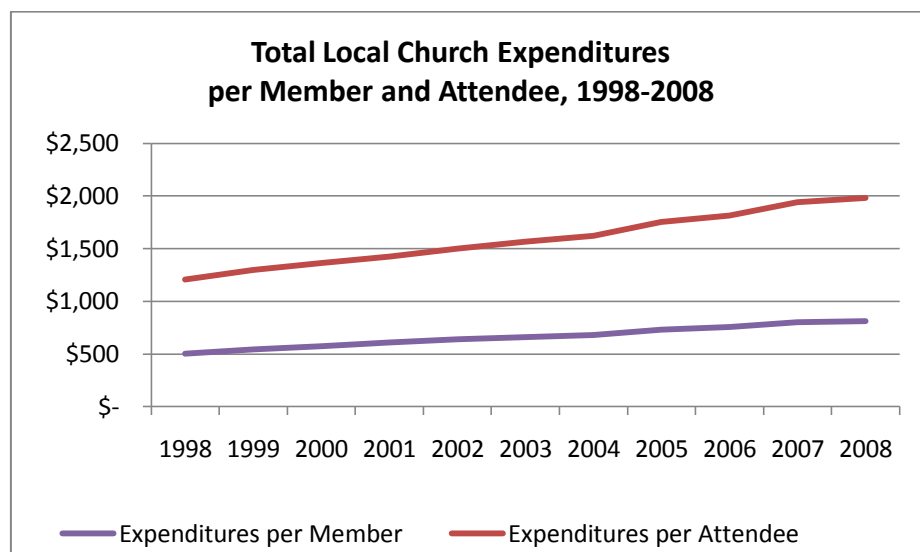
Footnote: GCFA does not have birthdate information for all pastors. Estimates are based on available data.

Financial Trends

Total Local Church Expenditure Trends

From 1998 to 2008 total Local Church Expenditures increased by 49%. On a per member and per attendee basis, expenditures increased by 61% and 64% respectively.

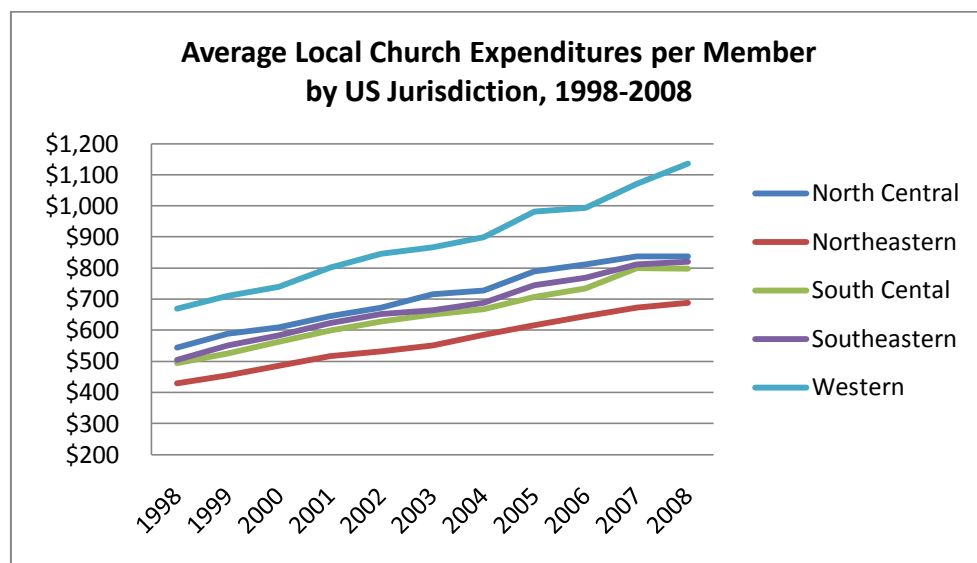
Corresponding giving data is not available for the 1998 to 2008 time period.



Source: Annual Conference Statistics (Tables 1-2)

Footnote: US only, Total Local Church Expenditures include all items reported on Table 2 including benevolences.

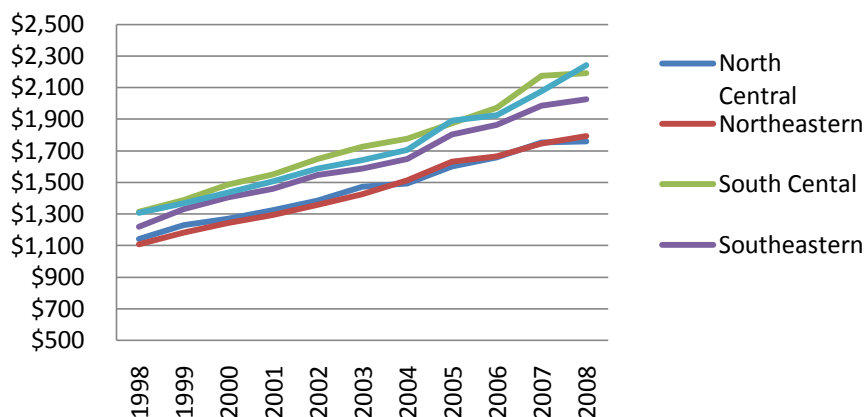
All Jurisdictions experienced increasing Average Local Church Expenditures per Member and Attendee throughout the 1998 to 2008 time period.



Source: Annual Conference Statistics
(Tables 1-2)

Footnote: Nominal values, US only

**Average Local Church Expenditures per Attendee
by US Jurisdiction, 1998-2008**



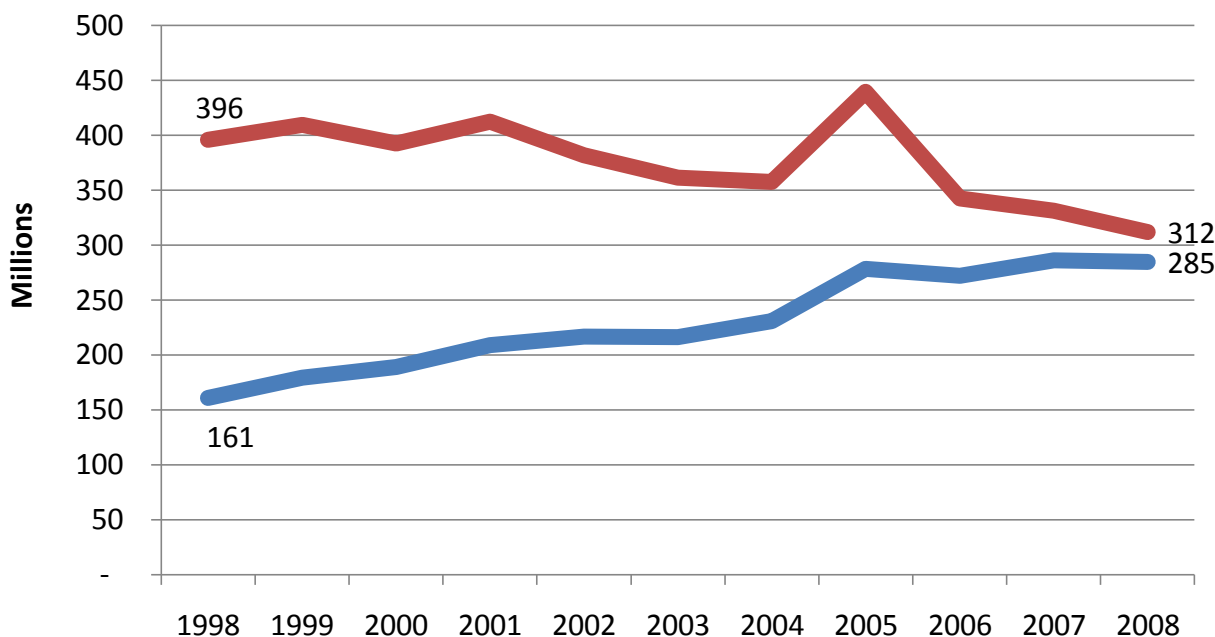
Source: Annual Conference Statistics

(Tables 1-2)

Footnote: Nominal values, US only

Local church benevolent spending data was available and the trends for the 1998 to 2008 period are shown in the chart below. While inflation adjusted benevolent spending from local churches forwarded to their Annual conferences declined by 22% over the period, other local benevolences increased by 77%.

Connectional Benevolences Sent to Conference Treasurer & Other Benevolences (adjusted for inflation)



Source: GCFA

Local Church Giving and Expenditure Profile – 2008

Although giving information at the local church level is not available for the period 1998 to 2008, information for 2008 itself is available as summarized in the table below.

Local Church Giving and Expenditures 2008	All reporting US churches	North Central	Northeastern	South Central	Southeastern	Western
Annual Operating Giving	\$ 5,552,913,731	\$ 960,285,483	\$ 796,542,613	\$ 1,188,572,612	\$ 2,253,982,700	\$ 353,530,323
Capital and Special Giving	\$ 943,988,412	\$ 180,979,880	\$ 126,844,726	\$ 250,493,635	\$ 334,169,073	\$ 51,501,098
Funding Outside Local Church	\$ 41,477,726	\$ 8,227,369	\$ 6,008,383	\$ 7,250,567	\$ 14,360,925	\$ 5,630,482
Total Income	\$ 6,538,379,869	\$ 1,149,492,732	\$ 929,395,722	\$ 1,446,316,814	\$ 2,602,512,698	\$ 410,661,903
Total Local Church Expenditures	\$ 6,221,970,986	\$ 1,141,668,038	\$ 921,875,116	\$ 1,396,777,785	\$ 2,359,238,225	\$ 402,411,822
Net	\$ 316,408,883	\$ 7,824,694	\$ 7,520,606	\$ 49,539,029	\$ 243,274,473	\$ 8,250,081

Source: Annual Conference Statistics (Table 3)

Footnote: US only, Income reporting reliable only for 2008. **Churches who reported no annual operating giving are excluded.**

This table can be viewed as a profile for funds flow at the local church level. As is shown, in 2008 approximately 77% and 16% of net funds flow came from the Southeastern and South Central Jurisdictions, respectively, for a total of 93%.

General Church Apportionment Trends

General Church Apportionment Funds Paid increased 24% from 1998 to 2008. This increase was driven by increases in World Service, Episcopal, General Administration and International Cooperation Funds. The remaining funds remained essentially flat for the period.

Fund contribution shifted primarily to the World Service and Episcopal Funds which together received 71% of General Church apportioned funds in 2008 – up 66% from 1998. Funds shifted primarily from Ministerial Education and Black College Funds, which together received 26% of funding in 1998 and 20% of funding in 2008.

GENERAL CHURCH PAID APPORTIONMENTS 1998 TO 2008					
	% Change 1998-2008	1998 % Total	1998 % Paid	2008 % Total	2008 % Paid
Total General Church					
Apportioned Funds Paid	24%	100%	89%	100%	86%
World Service	30%	53%	89%	56%	86%
Episcopal	43%	13%	93%	15%	89%
General Administration	62%	4%	87%	5%	85%
International Cooperation	36%	1%	86%	1%	85%
Ministerial Education	0%	17%	86%	13%	85%
Black College	2%	9%	85%	7%	85%
Africa University	0%	2%	88%	2%	90%

Source: GCFA

Estimated Local Church Expenditure Profile – 2008

Estimated Local Church Expenditure Profile - 2008 % Total Expenditures		
Clergy salary, benefits, & support costs	24.1%	33.6%
Lay staff	19.5%	
Maintenance, utilities, etc.	16.8%	35.9%
Buildings and improvements	10.4%	
Principal and interest	8.7%	
Apportionments and other benevolent giving	14.5%	19.8%
Program expenditures	5.3%	
Total	99.3%	

Based on the above estimates, local church expenditures are driven primarily by building related costs (36%) and staffing costs (34%) with apportionments, other benevolent giving, and program costs representing the lowest expenditure category (20%).

Estimated Total Local Church Indebtedness and Real Estate Holdings

Although it is not possible to construct a total Church balance sheet based on available information, we were able to obtain some qualified Local Church estimates from GCFA – qualified by concerns regarding reporting accuracy, consistency and reliability.

In 2008, Local Church assets at market value (including church and parsonage real estate holdings, furniture and other assets including investment securities) were estimated to have a total market value of approximately \$59 billion and total Local Church indebtedness was estimated at approximately \$4 billion (both in nominal dollars). These same estimated nominal figures in 1998 for Local Church assets and indebtedness were \$37 billion and \$2 billion, respectively.

Sustainability Advisory Group Findings

In addition to review of information reviewed previously, this report relies on recent findings produced by the Sustainability Advisory Group in their Final Report dated May, 2010. We recommend that this report be read in its entirety for its extensive findings and recommendations. We have summarized some of the findings relating to the Church's operating and financial environment below.

- The Report's fundamental conclusion is as follows. "The support structure of the U.S. Church has been precipitously turned on its head; we have fewer failing to support more. The Church simply cannot afford to support itself for much longer without drastic change."
- The Report focuses on many findings relating to the Church's clergy – an estimated surplus of 784 to 942 clergy, too many small churches operating with full time clergy, operating expense and funding challenges associated with clergy compensation and retirement and health benefits, the significant cost of supporting seminary education, and a range of clergy policy and process issues.
- The Report focuses on local church operating cost challenges – particularly in churches that are not growing – and raised the question of economy of scale in church attendance and ability to sustain the full operating costs of a local church.
- The Report cites concerns about local church indebtedness regarding decision making and future sustainability – annual principal and interest payments have increased from approximately \$400 million in 2000 to approximately \$600 million in 2007, representing an increase from over 8% to almost 12% of total local church expenditures.

APPENDIX B
THE UNITED METHODIST CHURCH OPERATIONS ASSESSMENT
INTERVIEW LIST AND PROTOCOL

COUNCIL OF BISHOPS INTERVIEW LIST*

Operations Assessment Project May, 2010

John Hopkins	Linda Lee
Marcus Matthews	Warner Brown
Charlene Kammerer	Deb Kiesey
Alfred Gwinn	Jim Dorff
Lindsey Davis	Patrick Streiff
Bruce Ough	Gregory Palmer
Mike Watson	Mary Ann Swenson
Sally Dyck	Neil Irons
John Schol	Joe Yeakel
Larry Goodpaster	
Gaspar Domingos	Sharon Rader
Eben Nhiwatiwa	Minerva Carcaño
Nkulu Ntambo	Robert Fannin
Joaquina Nhanala	Bill Hutchinson
Leo Soriano	Ernest Lyght
Mike Lowry	Bill Oden
Roy Sano	Grant Hagiya
Forrest Stith	Janice Huie
Peter Weaver	Hee-Soo Jung
James Swanson	Rosemarie Wenner

* Bolded individuals were unavailable.

INTERVIEW LIST*

The Operations Assessment Project May, 2010

<u>Interview</u>	<u># of Hours</u>	<u>Interview Set Up By</u>	<u>Person to be interviewed</u>	<u>Did Not Occur</u>
<u>Council of Bishops</u>	-	-	-	-
12 US Bishops (in 3 groups of 4 for 1.5 hrs each)	4.5			
3 global groups, 2 Bishops each, Africa, Europe, Philippines (for 1.5 hrs each)	4.5			
3 groups of Bishops who are also Agency Bd Presidents (for 1.5 hrs each)	4.5			
Outgoing President	1.5	BB	Greg Palmer	
Incoming President	1.5	BB	Larry Goodpaster	
<u>Connectional Table – Presiding Chair</u>	1.5	BB	Bishop John Hopkins	
<u>Judicial Council</u>	1.5	BB	Belton Joyner	
<u>Agency General Secretaries</u>				
GCFA	1.5	TG	Kumar, A. Moses Rathana (615) 329-3393 ext 2322	
GBCS	1.5	TG	Winkler, James 202-488-5620 or 202-550-9118	
GBOD	1.5	TG	Greenwaldt, Karen 877-899-2780 ext 7022	
GBGM	1.5	TG	Thomas Kemper 011-49-202-767-0190 *Thomas will be interviewing from Germany*	x
GBHEM	1.5	TG	Del Pino, Jerome King 615-340-7356	
GBPHB	1.5	TG	Boigegrain, Barbara A. 847-866-4200	
UMPH	1.5	TG	Alexander, Neil M. 615-749-6327	
GCAH	1.5	TG	Williams, Robert J. 973-408-3191	
GCCUIC	1.5	TG	Sidorak, Stephen J., Jr. 860-632-1641	
UMCOM	1.5	TG	Hollon, Larry 615-742-5410	
GCORR	1.5	TG	Hawkins, Erin 202-547-2271	

INTERVIEW LIST* con't

The Operations Assessment Project May, 2010

<u>Interview</u>	<u># of Hours</u>	<u>Interview Set Up By</u>	<u>Person to be interviewed</u>	<u>Did Not Occur</u>
GCUMM	1.5	TG	Hanke, Gilbert C. 615-620-7267	
General Conference	1.5	TG	Gere Reist 717-238-6739	
<u>Clergy Focus</u>				
Seminary Dean - Perkins	1	BB	Lawrence, William B.	
Seminary President - Asbury	1	BB	Tennet, Timothy C.	x
Seminary Presidents Iliff	1	BB	Trickett, David G.	
Bishop Al Guinn, Ministry Study Committee	1	BB	Bishop Al Gwinn	
Seminary President - Garrett Evangelical	1	BB	Phil Amerson	
<u>District Superintendents/Assts to Bishops</u>				
District Superintendents/Assistants to Bishops	1	BB	Sally Langford	x
District Superintendents/Assistants to Bishops	1	BB	Carl Frazier	
District Superintendents/Assistants to Bishops	1	BB	Bishop John Shoal	
Asssitant to Bishop	1	BB	Gary George	
<u>Annual Conference Leaders</u>				
Chair of Bd of Ordained Ministry	1	BB	Barrie Tritle	
Treasurer/CFO - North Carolina Conference	1	BB	Christine Dodson	x
Connectional Ministry Director - North Carolina Conf.	1	BB	Gary Keene	
Additional experienced leader	1	BB		
<u>Pastors</u>				
"Leading Edge" group of 100 pastor	1	BB	Adam Hamilton	x
Small church pastor (approx. 60 size) - Western Jurisd.	1	BB	Rich Lang	
Medium church pastor (approx. 250 size) - NE Jurisd.	1	BB	Evelyn McDonald	
<u>3 Active Lay Leaders</u>				
Active Lay Leader	1	BB	Mike McCurry	
Active Lay Leader - Texas Conference	1	BB	Leah Taylor	x
Active Lay Leader	1	BB	Tom Watson	
<u>3 Wise thinkers</u>				
Wise thinkers	1	BB	Lyle Schaller	
Wise thinkers	1	BB	Gil Rendle	
Wise thinkers	1	BB	Doug Anderson	

1. Context/Understanding

- What are the three or four most important macro trends, dynamics and/or circumstances that are affecting the Church?
- Are these trends broadly understood and how are they understood and recognized by the Church leadership and, more broadly, by general members and attendees. Please be specific about the Church leadership that you are referring to and to their specific roles in the context of your comments.

2. Change and Change Readiness

- How do you generally assess the need for change in response to the Church's changing environment?
- How do the Church leadership and, more broadly, the general membership/attendees assess the need for change? Please be specific about the Church leadership that you are referring to and to their specific roles in the context of your comments.
- How do you assess the willingness to lead and/or support change among Church leadership and, more broadly, the general membership/attendees? Relative low/high degrees? Please be specific about the Church leadership that you are referring to and to their specific roles in the context of your comments.
- Are there particular arenas for ministry or groups, formal or informal, who will be strongly supportive or resistant to change? If so, please identify.

3. Create a Vital Methodist/Wesleyan Connexion for the 21st Century

- Drawing on your historical, present and future view and understanding of the distinctive Methodist/Wesleyan connection, how would you define a vital connexion for the 21st Century?
- What are the core values of a vital Methodist/Wesleyan connexion for the 21st Century?
- What Church structures and processes contribute notably and positively to the strengthening of the connectional spirit?
- How do the Church's structures and processes frustrate the liberation and strengthening of the connectional spirit within the Church? Please be specific in describing.

4. Improve Decision Making, Implementation Effectiveness, and Accountability

- What is working and not working in the decision-making effectiveness of the Church's leadership and governance structures within the bodies and groups that make decisions?
 - General Church?
 - Jurisdiction /Central Conference?
 - Annual Conference?
 - Local Church/Charge?
- What is working and not working in (1) the effectiveness of major church decision-making and in (2) the subsequent implementation processes?
 - Strategic decision making in pursuing the Call to Action goals of "making Disciples of Jesus Christ for the transformation of the world" and "addressing the Four Areas of Focus"?
 - Funding and budget management processes?
 - Measurement of outcomes and accountability processes?
 - Communication processes?
 - Clergy recruitment, education /development and deployment processes?
 - Stewardship?
 - Collaboration?
 - Leadership development?
 - Conflict resolution?
- What Church structures, entities and/or processes should be evaluated for their efficacy and /or value-added contribution and why?
- Are there major areas of organizational/operational redundancy?
- Are there major areas or processes that either lack alignment or are misaligned?
- Does the Church function effectively as a global church? If so, how? If not, why?

5. Improve Affordability

- What are the major opportunities to improve affordability within the Church?
- Is there an understanding about whether and how large a gap exists between what the Church needs to do and what it can afford?
- What is the likely impact of maintaining the status quo in terms of financial policies and practices in the Church?

6. Leadership – How do you assess the overall capacities and competencies of Church leadership in terms of effective decision-making, implementation and accountability as opposed to structure/process? Please be specific about areas/groups and roles (not specific individuals) and the nature of the competency strengths and weaknesses.

7. Given your general assessment of the context, readiness for change, decision making, performance, affordability and leadership – if you could make no more than two changes, what would they be and why?

APPENDIX C

THE UNITED METHODIST CHURCH OPERATIONS ASSESSMENT SURVEY

The United Methodist Church Call to Action Operational Assessment Project Survey June, 2010

Survey Design and Purpose

The Operational Assessment Survey was designed to provide a source of general quantitative feedback from the Church's broad leadership regarding environment assessment (understanding of the Church's environment and circumstances, need for change and change readiness) and an assessment of the effectiveness of the Church's structures and processes, both in general and in the context of "making disciples of Jesus Christ for the transformation of the world" and in the context of pursuing the Four Areas of Focus. The Survey was designed to complement an extensive formal interview process (referenced separately in this report) and independent analysis and review.

The Survey was directed at a broad group of Church leadership and the sample profile and response rate is reviewed below.

A summary of the Survey data is included at the end of this report.

Survey Sample Profile and Response Rate

Below is the summary of the survey sample profile and response rate. The survey completion rate was 88% (the percentage of respondents who completed the survey once it was started).

Response Rate By Church Role	Sample	Respondents	Response Rate	Percent of Respondents
Connectional Table	65	27	42%	6%
Bishops	160	59	37%	14%
GCFA	45	16	36%	4%
General Secretaries	14	8	57%	2%
Agency Treasurers	12	10	83%	2%
Board Officers of General Agencies	57	36	63%	9%
Judicial Council	11	6	55%	1%
Deans/Presidents of UM Seminaries	14	7	50%	2%
Directors of Connectional Ministries	62	29	47%	7%
Conference Treasurers	63	39	62%	9%
District Superintendents	461	173	38%	41%
CTA Steering Team	16	10	63%	2%
Total	924	423	46%	100%

NOTE: Column total of 924 was adjusted for 56 people in more than one role.

Summary of Survey Results

The following summary of survey results is organized and presented in the order of the original survey design. Survey respondents were asked to evaluate the specified survey parameter on a “1 to 5 scale” with 1 being “low” and 5 being “high”. For purposes of reviewing and summarizing the survey findings, we have grouped the responses in Below Average (1 and 2), Average (3) and Above Average (4 and 5). The mean responses are also referenced for many of the questions. Summary survey data tables are included at the end of this Appendix C.

Environmental Assessment

Survey respondents evaluated the following groups in the parameters of the environmental assessment: Bishops as individuals, The Council of Bishops as a collective entity, General Agency executives, General Agency Board and Commission members, Annual Conference leadership, pastors in local churches and lay leadership in local churches.

In terms of degree of understanding of the Church’s trends, dynamics and circumstances, all groups except lay leadership were thought to have an Average or Above Average understanding – Bishops as individuals and as a Council were thought to have the highest understanding with Bishops as individuals higher than the Council.

Belief in need for change showed a similar pattern with the difference that all groups were thought to have an Above Average belief in need for change with the exception of lay leadership which was Below Average – again Bishops as individuals and as a Council were thought to have the highest belief in need for change with Bishops as individuals higher than the Council.

Willingness to lead change was another parameter on which respondents were asked to rank the various groups. Bishops and individuals and as a Council were thought to have an Above Average willingness to lead change (individuals higher than Council) and Annual Conference leadership was considered to have an Above Average willingness to lead change. General Agency executives were rated Average and the remaining groups Below Average with lay leadership the lowest.

Likely resistance to change was thought to be highest (Above Average) among General Agency executives and governing members and lay leaders with pastors lower but still Above Average. Bishops as individuals and as a Council were considered to have likely resistance to change of Below Average.

Organization Structure and Process Assessment

The General Conference

The survey respondents evaluated the General Conference’s effectiveness in the context of the Church’s general legislative body as Below Average by over 50% of respondents across all areas of evaluation (effectiveness of decision making leading to best outcomes, process effectiveness in producing

legislation, , right balance between policy and administrative action and stewardship effectiveness in fulfilling its responsibility through the budget process and use of financial resources) except four year frequency of meeting effectiveness which received a 48% Below Average response rate.

The Jurisdictional/Central Conferences

In their roles as regional legislative decision-making bodies the Jurisdictional/Central Conferences were evaluated as Below Average across all categories: decision- making effectiveness, process effectiveness, four year meeting frequency effectiveness, role clarity and goal clarity. Over 50% of respondents evaluated role and goal clarity as Below Average. In the context of the ongoing administrative functions and roles of the Jurisdictional/Central Conferences, all categories were evaluated by more than 50% of respondents as Below Average (effectiveness of decision making, process and role/goal clarity).

The Judicial Council

The Judicial Council was evaluated as Average in conflict resolution effectiveness and Above Average in decision making and process effectiveness.

The General Church's Administrative Structure (COB, CT, GCFA, GBPHB, GCAH)

Respondents were asked to evaluate the General Church's Administrative Structure effectiveness as a collective group of entities (as specified above) on a range of effectiveness characteristics as applied separately to "making disciples of Jesus Christ for the transformation of the world" and the Four Areas of Focus. Decision-making effectiveness of the Church's Administrative Structure was evaluated as Below Average across all categories for both "making disciples..." and for the Four Areas of Focus – "making disciples..." had a consistently lower mean score than the Four Areas of Focus across all areas of evaluation. For "making disciples...", 60% or more of respondents ranked the effectiveness of the following categories Below Average: ability to resolve conflict, accountability for outcomes and competencies to deliver results for the first half of the 21st Century - 50% or more of respondents ranked these additional areas as Below Average: role clarity about who makes which decisions, ability to collaborate in making strategic decisions, ability to deliver results and ability to lead the effective and efficient use of financial and human resources. For the Four Areas of Focus, there were two categories in which 50% or more evaluated the category as Below Average: ability to resolve conflict and accountability for outcomes.

The General Church's Program and Ministry Functions (i.e., GBGM, GBOD, GBHEM, GBCS, UMCOM, GCUIC, GCRR, GCSRW, GCRR, GCSRW, GCUMM, UMPH)

Respondents were asked to evaluate the General Church's Program and Ministry Functions effectiveness as a collective group of entities (as specified above) on a range of effectiveness characteristics as applied separately to "making disciples of Jesus Christ for the transformation of the world" and the Four Areas of Focus. As for the Administrative Structure, decision-making effectiveness of the Church's Program and Ministry Functions was evaluated as Below Average across all categories for both "making disciples..." and for the Four Areas of Focus – "making disciples..." had a consistently lower mean score than the Four Areas of Focus across all areas of evaluation. In "making disciples...", the Program and Ministry Functions were evaluated by more than 60% of respondents as having Below Average accountability for outcomes – additional areas that were rated by 50% or more of respondents as Below

Average included: decision-making effectiveness, ability to collaborate on making strategic decisions, ability to deliver results, ability to resolve conflict, competencies to deliver results and ability to lead in the effective and efficient use of financial and human resources. As with the Administrative Structure, for the Four Areas of Focus there were two categories in which 50% or more evaluated the category as Below Average: ability to resolve conflict and accountability for outcomes.

Annual Conferences

Respondents were asked to evaluate Annual Conferences separately in their dual capacities as legislative and administrative bodies. In their administrative capacity, respondents were asked to evaluate the Annual Conferences both in general and in their pursuit of the missions of “making disciples...” and the Four Areas of Focus. In their legislative capacity, the Annual Conferences were generally evaluated as Above Average with only decision process effectiveness as Average. The only category in which more than 50% of respondents provided an Above Average evaluation was effectiveness of meeting once a year. The overall evaluation of the Annual Conferences in their administrative capacity was Average. For both “making disciples...” and the Four Areas of Focus, the Annual Conferences were Average in the degree that they are empowered to deliver the desired outcomes. In all other areas for both missions, the Annual Conferences were Below Average – for both missions, the Annual Conferences were evaluated by 50% or more of respondents to be Below Average in ability to resolve conflict and degree of implementation accountability.

Districts

Districts were also evaluated for their effectiveness in general and for both missions that were the focus of the survey. District evaluations were Below Average across all areas of evaluation. Also across all areas of evaluation, “making disciples...” was evaluated as higher than the Four Areas of Focus. Over 50% of respondents evaluated role clarity about who makes what decisions within the Districts as Below Average for the Four Areas of Focus and 50% or more of respondents evaluated degree of implementation accountability as Below Average for both missions.

Local Churches/Charges

Like Districts, Local Churches/Charges, “Local Churches”, were evaluated for their effectiveness in general and for both missions that were the focus of the survey. Overall decision making and process effectiveness was rated as Average for Local Churches. For “making disciples...”, role clarity and degree of empowerment to deliver results were rated Above Average and ability to resolve conflict and implementation accountability were rated Below Average – all other areas of evaluation for “making disciples...” were evaluated as Average. For the Four Areas of Focus, degree of empowerment to deliver results was rated Average while all other areas of evaluation were Below Average – more than 50% of respondents rated role clarity, ability to resolve conflict and degree of implementation accountability as Below Average.

THE UNITED METHODIST CHURCH CALL TO ACTION STEERING TEAM - OPERATIONAL ASSESSMENT PROJECT SURVEY MAY 2010

Please note that in the results Avg = Average; DK = Don't know; BA = Below average; AA = Above average.

ENVIRONMENTAL ASSESSMENT

Context/Understanding

1 Degree of Understanding of Macro Trends, Dynamics and Circumstances Affecting the Church

	Total Respondents in Category -			% of Total Respondents		
		Avg		DK	BA	AA
Bishops as Individuals		3.92		4	10	18
The Council of Bishops as a Collective Entity		3.55		8	16	24
General Agency Executives		3.24		7	25	27
General Agency/Board/Commission Members		2.95		9	28	37
Annual Conference Leadership		3.29		1	17	41
Pastors in Local Churches		2.95		0.8	29	45
Lay Leadership in Local Churches		2.37		0.5	61	25
						14

Change and Change Readiness

1 Belief in Need for Change

Total Respondents in Category - Avg	
Bishops as Individuals	4.2
The Council of Bishops as a Collective Entity	3.94
General Agency Executives	3.36
General Agency/Board/Commission Members	3.18
Annual Conference Leadership	3.6
Pastors in Local Churches	3.34
Lay Leadership in Local Churches	2.89

% of Total Respondents			
DK	BA	Avg	AA
4	6	11	79
7	9	18	67
7	22	24	47
10	24	28	37
1	13	29	57
1	20	36	43
0.8	40	31	28

2 Willingness to Lead

Total Respondents in Category - Avg	
Bishops as Individuals	3.87
The Council of Bishops as a Collective Entity	3.59
General Agency Executives	2.98
General Agency/Board/Commission Members	2.79
Annual Conference Leadership	3.33
Pastors in Local Churches	2.89
Lay Leadership in Local Churches	2.44

% of Total Respondents			
DK	BA	Avg	AA
3	11	19	68
6	17	23	58
6	29	33	31
9	34	34	23
1	18	38	42
1	34	41	24
0.8	51	29	14

Change and Change Readiness (ctd.)

On a scale of 1 to 5 with 1 as "low" and 5 as "high", in the areas below please indicate your assessment of the need for change, willingness to lead change and likely resistance to change for each of the listed categories.

3 Likely Resistance to Change

Total Respondents in Category - Avg	
Bishops as Individuals	2.69
The Council of Bishops as a Collective Entity	2.9
General Agency Executives	3.5
General Agency/Board/Commission Members	3.48
Annual Conference Leadership	3.05
Pastors in Local Churches	3.32
Lay Leadership in Local Churches	3.53

% of Total Respondents		
DK	BA	AA
4	44	22
6	36	28
7	19	46
8	17	45
2	27	31
2	18	43
2	19	55

ORGANIZATIONAL STRUCTURE AND PROCESS ASSESSMENT

For the GENERAL CONFERENCE

- 1 Decision-Making Effectiveness: In the context of its role as the Church's general legislative body, please assess the effectiveness of the following decision-making areas (1 as "low" and 5 as "high)

Total Respondents in Category - Avg	
Overall Effectiveness of Decision Making - leads to best outcomes	2.49
Process Effectiveness - process of producing legislation	2.32
Effectiveness of Meeting Once Every Four Years	2.62
Decision Results Effectiveness - right balance between policy and administrative action	2.41

% of Total Respondents			
DK	BA	Avg	AA
2	51	32	15
3	56	28	13
3	48	24	25
5	52	31	12

2 Affordability

Total Respondents in Category - Avg	
General Conference Financial Stewardship Effectiveness in Fulfilling its Financial Responsibility through the Budget Process and Use of Financial Resources	2.47

% of Total Respondents			
DK	BA	Avg	AA
4	51	29	16

For the JURISDICTIONAL/CENTRAL CONFERENCES

- 1 Decision-Making Effectiveness: *In the context of their roles as regional legislative decision-making bodies, please assess the effectiveness of the following decision-making areas (1 as "low" and 5 as "high")*

Total Respondents in Category - Avg	
Overall Effectiveness of Decision Making - leads to best outcomes	2.48
Decision Process Effectiveness	2.47
Effectiveness of Meeting Once Every Four Years	2.67
To What Degree is Their Role Clear	2.51
To What Degree are Their Goals Clear	2.27

% of Total Respondents			
DK	BA	Avg	AA
8	48	28	16
8	47	29	16
7	43	29	24
6	51	20	23
7	58	19	16

- 2 Decision-Making Effectiveness: *In the context of the ongoing administrative/program functions and roles of the Jurisdictional/Central Conferences, please assess the effectiveness of the following decision-making areas (1 as "low" and 5 as "high")*

Total Respondents in Category - Avg	
Overall Effectiveness of Decision Making - leads to best outcomes	2.33
Decision Process Effectiveness	2.29
To What Degree is Their Role Clear	2.26
To What Degree are Their Goals Clear	2.13

% of Total Respondents			
DK	BA	Avg	AA
12	51	27	10
13	52	26	10
12	54	22	12
12	58	20	10

For the JUDICIAL COUNCIL

1 Decision-Making Effectiveness: *In the context of the role of the Judicial Council, please assess the effectiveness of the following decision-making areas (1 as "low" and 5 as "high")*

Total Respondents in Category -		Avg
Overall Effectiveness of Decision Making - leads to best outcomes		3.42
Decision Process Effectiveness		3.43
Conflict Resolution Effectiveness		3.03

% of Total Respondents			
DK	BA	Avg	AA
12	16	26	46
17	14	25	44
16	26	26	32

FOUR AREAS OF FOCUS

- | % of Total Respondents | | | | % of Total Respondents | | | |
|------------------------|----|-----|----|------------------------|----|-----|----|
| DK | BA | Avg | AA | DK | BA | Avg | AA |
| 5 | 51 | 23 | 21 | 8 | 34 | 28 | 30 |
| 5 | 48 | 35 | 11 | 9 | 40 | 31 | 21 |
| 7 | 39 | 35 | 20 | 9 | 36 | 32 | 23 |
| 7 | 50 | 27 | 16 | 11 | 41 | 28 | 21 |

	Total Respondents in Category -		FAF Avg
	MD Avg		
Role Clarity About Who Makes Which Decisions	2.54		2.9
Administrative Decision Making Effectiveness - leads to best outcomes	2.45		2.71
Decision-Making Competency - right competencies to make administrative decisions			
Ability to Collaborate in Making Strategic Decisions	2.65		2.78
	2.41		2.65

- | | % of Total Respondents | | | | % of Total Respondents | | | |
|---|------------------------|----|-----|----|------------------------|----|-----|----|
| | DK | BA | Avg | AA | DK | BA | Avg | AA |
| 5 | 44 | 25 | 25 | 8 | 31 | 31 | 29 | 17 |
| 4 | 57 | 24 | 24 | 8 | 45 | 29 | 28 | 9 |
| 9 | 61 | 23 | 23 | 13 | 50 | 21 | 16 | 19 |
| 4 | 65 | 18 | 18 | 9 | 54 | 26 | 26 | 29 |
| 6 | 60 | 24 | 24 | 9 | 47 | 26 | 26 | 29 |

Total Respondents in Category -		MD	FAF
		Avg	Avg
Authority - degree that entities are empowered to			
deliver desired outcomes		2.69	2.95
Ability to Deliver Results		2.36	2.55
Ability to Resolve Conflict		2.14	2.33
Accountability for Outcomes		2.12	2.39
Competencies to Deliver Results for the First Half of the 21st Century		2.25	2.54

3 Affordability: For the General Church's overall administrative structure, please provide your assessment of the following (1 as "low" and 5 as "high")

Total Respondents in Category - Ability to Lead the Effective and Efficient Use of Financial and Human Resources	MD		FAF	
	Avg		Avg	
	2.35		2.58	

% of Total Respondents				% of Total Respondents			
DK	BA	Avg	AA	DK	BA	Avg	AA
4	58	23	15	9	43	29	19

For the GENERAL CHURCH'S PROGRAM AND MINISTRY FUNCTIONS (i.e., GBGM, GBOD, GBHEM, GBCS, UMCOM, GCUJC, GCRR, GCSRW, GCUMM, UMPH)

MAKING DISCIPLES **FOUR AREAS OF FOCUS**

- 1 Decision-Making Effectiveness: For the General Church's program and ministry functions, please provide your assessment of the effectiveness of decision making in the following areas (1 as "low" and 5 as "high")**

Total Respondents in Category -		MD	FAF
Role Clarity About Who Makes Which Decisions in		Avg	Avg
Program & Ministry Functions		2.53	2.89
Decision-Making Effectiveness - leads to best outcomes for program & ministry functions		2.39	2.65
Decision-Making Competency - right competencies to make program & ministry decisions		2.53	2.78
Ability to Collaborate on Making Strategic Decisions for the Program & Ministry Functions		2.31	2.6

% of Total Respondents					% of Total Respondents				
DK	BA	Avg	AA	DK	BA	Avg	AA	DK	BA
8	48	28	16	9	33	31	26		
8	52	30	10	10	40	33	17		
8	45	31	17	10	35	32	23		
9	54	27	10	11	42	31	17		

2 Implementation Effectiveness: For the General Church's program and ministry functions, please provide your assessment of the effectiveness at implementation of the following areas (1 as "low" and 5 as "high")

Total Respondents in Category - MD		% of Total Respondents				% of Total Respondents			
		DK	BA	Avg	AA	DK	BA	Avg	AA
Authority - degree that entities are empowered to deliver desired program and ministry outcomes	2.71	7	42	29	23	8	34	28	30
Ability to Deliver Program and Ministry Results	2.42	5	53	29	13	8	42	32	18
Ability to Resolve Conflict within the Program and Ministry Functions	2.25	11	53	29	7	13	50	25	12
Accountability for Outcomes	2.09	6	65	21	8	8	57	21	15
Competencies to Deliver Results for the First Half of the 21st Century	2.3	7	56	26	11	9	45	29	18

FOUR AREAS OF FOCUS

MAKING DISCIPLES

3 Affordability: For the General Church's program and ministry functions, please provide your assessment of the following (1 as "low" and 5 as "high")

Total Respondents in Category - MD		% of Total Respondents				% of Total Respondents			
		DK	BA	Avg	AA	DK	BA	Avg	AA
Ability to Lead in the Effective and Efficient Use of Financial and Human Resources	2.34	6	55	26	13	9	44	30	17

For the CHURCH'S ANNUAL CONFERENCES

- 1 Decision-Making Effectiveness: *In the context of the Annual Conference roles as regional legislative decision-making bodies, please assess the effectiveness of the following decision-making areas (1 as "low" and 5 as "high")*

Total Respondents in Category - Avg	
Overall Effectiveness of Decision Making - leads to best outcomes	3.13
Decision Process Effectiveness	2.97
Effectiveness of Meeting Once Every Year	3.56
To What Degree is Their Role Clear	3.29
To What Degree are Their Goals Clear	3.11

% of Total Respondents			
DK	BA	Avg	AA
0.8	24	38	37
1	30	41	28
1	16	24	58
2	23	27	48
2	29	29	39

- 2 Overall Decision-Making Effectiveness: *For the Annual Conferences as administrative boards/program work areas /committees, please provide your assessment of the effectiveness of overall decision making for following areas*

Total Respondents in Category - Avg	
Overall Decision-Making Effectiveness	2.93
Process/Board/Committees Effectiveness	2.79

% of Total Respondents			
DK	BA	Avg	AA
2	34	36	29
2	38	36	24

For the CHURCH'S ANNUAL CONFERENCES (con't.)

In the context of their roles as administrative boards/program work areas/committees, please provide your assessment of the effectiveness (1 as "low" and 5 as "high") of the Annual Conferences in the following areas in **general** where indicated and also where indicated in pursuing the mission of "making disciples" and in addressing the "Four Areas of Focus".

FOUR AREAS OF FOCUS

MAKING DISCIPLES

- * 3 **Decision-Making Effectiveness:** For the Annual Conferences as administrative boards/program work areas/com- please provide your assessment of the effectiveness of decision making in the following areas (1 as "low" and **Note: Discrepancy in language with results: results say deliberative legislative bodies.**

	% of Total Respondents					% of Total Respondents				
	DK	BA	Avg	AA	DK	BA	Avg	AA	BA	AA
Total Respondents in Category -										
Role Clarity About Who Makes Which Decisions within the Annual Conferences	2	32	33	32	6	46	26	23		
Overall Effectiveness of Decision Making - leads to best outcomes	2	37	39	22	6	43	31	20		
Decision-Making Competency - right competencies to make decisions	2	38	38	22	7	42	30	22		
Ability to Collaborate in Making Strategic Decisions within the Annual Conferences	2	34	37	27	6	42	29	23		

- * 4 **Implementation Effectiveness: For the Annual Conferences as administrative boards/program work areas/committees, please provide your assessment of the effectiveness of implementation in the following areas (1 as "low" and 5 as "high")**

Note: Discrepancy in language with results: results omit mention of implementation.

Total Respondents in Category -		MD		FAF		% of Total Respondents				% of Total Respondents			
		Avg		Avg		DK	BA	Avg	AA	DK	BA	Avg	AA
Authority - degree that entity is empowered to deliver desired outcomes		2.94	2.89			3	32	35	30	6	35	31	28
Ability to Deliver Results		2.57	2.61			3	46	35	16	7	45	31	17
Ability to Resolve Conflict within Annual Conferences		2.5	2.46			3	51	31	15	7	50	30	13
Degree of Implementation Accountability for Outcomes		2.46	2.44			3	54	27	16	7	53	25	15

- 5 **Affordability: For the Annual Conferences as administrative boards/program work areas/committees, please provide your assessment of the following (1 as "low" and 5 as "high")**

Total Respondents in Category -		MD		FAF		% of Total Respondents				% of Total Respondents			
		Avg		Avg		DK	BA	Avg	AA	DK	BA	Avg	AA
Ability to Lead the Effective and Efficient Use of Financial and Human Resources		2.71	2.72			3	41	35	21	7	40	25	22

For the DISTRICTS

- 1 Overall Decision-Making Effectiveness: For the Districts please provide your assessment of the overall effectiveness of decision making in the following areas (1 as "low" and 5 as "high")

Total Respondents in Category - Avg	
Overall Effectiveness of Decision Making - leads to best outcomes	2.79
Process Effectiveness	2.74

% of Total Respondents			
DK	BA	Avg	AA
4	37	33	26
5	38	23	24

MAKING

FOUR AREAS OF FOCUS

DISCIPLES

- 2 Decision-Making Effectiveness: For the Districts please provide your assessment of the effectiveness of decision making in the following areas (1 as "low" and 5 as "high")

Total Respondents in Category - Avg		MD	FAF
Role Clarity About Who Makes Which Decisions within the Districts	2.68	2.68	2.36
Effectiveness of Decision Making - leads to best outcomes	2.64	2.64	2.42
Decision-Making Competency - right competencies to make decisions	2.68	2.68	2.51
Ability to Collaborate in Making Strategic Decisions within the Districts	2.74	2.74	2.57

% of Total Respondents				% of Total Respondents			
DK	BA	Avg	AA	DK	BA	Avg	AA
6	42	29	24	9	53	22	16
6	42	31	21	10	49	27	14
6	40	34	20	10	45	27	18
6	40	26	28	10	43	27	20

3 Implementation Effectiveness: For the Districts, please provide your assessment of the effectiveness of implementation in the following areas (1 as "low" and 5 as "high")

	% of Total Respondents				% of Total Respondents			
	DK	BA	Avg	AA	DK	BA	Avg	AA
Total Respondents in Category -								
Authority - degree that entity is empowered to deliver desired outcomes	6	40	24	30	10	43	25	22
Ability to Deliver Results	6	44	30	21	10	46	29	16
Ability to Resolve Conflict within the Districts	6	37	30	27	11	42	29	18
Degree of Implementation Accountability for Outcomes	6	50	25	19	10	55	22	13

**MAKING
DISCIPLES**

**FOUR AREAS OF
FOCUS**

4 Affordability: For the Districts, please provide your assessment of the following (1 as "low" and 5 as "high")

Ability to Lead the Effective and Efficient Use of Financial and Human Resources	Total Respondents in Category -		% of Total Respondents				% of Total Respondents			
	MD Avg	FAF Avg	DK	BA	Avg	AA	DK	BA	Avg	AA
			6	39	29	27	10	42	30	19

For the LOCAL CHURCHES/CHARGES

- 1 Overall Decision-Making Effectiveness: For the Local Churches/Charges please provide your assessment of the overall effectiveness of decision making in the following areas (1 as "low" and 5 as "high")

Total Respondents in Category - Avg		
Overall Effectiveness of Decision Making - leads to best outcomes		3.17
Process Effectiveness		3.01

% of Total Respondents			
DK	BA	Avg	AA
1	22	40	37
1	27	42	30

MAKING

DISCIPLES

FOUR AREAS OF

FOCUS

- 2 Decision-Making Effectiveness: For the Local Churches/Charges please provide your assessment of the effectiveness of decision making in the following areas (1 as "low" and 5 as "high")

Total Respondents in Category - Avg		
Role Clarity About Who Makes Which Decisions within the Local Churches/Charges	3.33	2.35
Effectiveness of Decision Making - leads to best outcomes	2.98	2.59
Decision-Making Competency - right competencies to make decisions	2.9	2.58
Ability to Collaborate in Making Strategic Decisions within the Local Churches/Charges	2.94	2.61

% of Total Respondents			
DK	BA	Avg	AA
0.5	25	29	46
1	31	40	28
1	33	40	26
1	32	38	28
0.5	25	29	46
1	31	40	28
1	33	40	26
1	32	38	28
0.5	25	29	46
1	31	40	28
1	33	40	26
1	32	38	28

% of Total Respondents			
DK	BA	Avg	AA
0.5	25	29	46
1	31	40	28
1	33	40	26
1	32	38	28
0.5	25	29	46
1	31	40	28
1	33	40	26
1	32	38	28
0.5	25	29	46
1	31	40	28
1	33	40	26
1	32	38	28

3 Implementation Effectiveness: For the Local Churches/Charges, please provide your assessment of the effectiveness of implementation in the following areas (1 as "low" and 5 as "high")

Total Respondents in Category -		MD	FAF
		Avg	Avg
Authority - degree that entity is empowered to deliver desired outcomes		3.61	2.97
Ability to Deliver Results		2.97	2.74
Ability to Resolve Conflict w/in Local Churches/Charges		2.59	2.37
Degree of Implementation Accountability for Outcomes		2.7	2.42

% of Total Respondents				% of Total Respondents			
DK	BA	Avg	AA	DK	BA	Avg	AA
1	14	28	57	5	34	28	33
0.8	32	37	30	5	42	29	24
5	46	35	15	8	52	30	10
1	45	32	22	5	54	26	15

**MAKING
DISCIPLES**

**FOUR AREAS OF
FOCUS**

4 Affordability

Total Respondents in Category -		MD	FAF
		Avg	Avg
Ability to Lead the Effective and Efficient Use of Financial and Human Resources		3	2.73

% of Total Respondents				% of Total Respondents			
DK	BA	Avg	AA	DK	BA	Avg	AA
2	30	38	30	5	40	30	24

APPENDIX D

THE UNITED METHODIST CHURCH CONSTITUENT ORGANIZATIONS ROLE AND GOVERNANCE STRUCTURE

BODY	PRIMARY RESPONSIBILITY	# MEM	COMPOSITION/SELECTION	MTG FREQ
GENERAL CONFERENCE	Legislative Branch Governs church membership Governs powers & duties of elders thru local pastors Governs powers & duties of ACs, MCs, CCs, CMs Defines powers & duties of episcopacy Authorizes hymnal & book of worship Provides judicial system & procedures Initiates & directs all connectional enterprises Enacts legislation for operation of church Speaks officially for UMC	600 - 1000	Chair is Bishop in Presiding Role Half Clergy/Half Lay Elected by Annual Conferences Representation based on two factor basis: both number of clergy & number of church members Every AC entitled to at least one clergy & one lay delegate Bishops present but no vote Secretary, nominated by CoB	1x per 4 years
COUNCIL OF BISHOPS	Executive Branch Elects president for 2 yr term Bishops are superintendents of the entire church Carries out rules, regulations, & responsibilities set forth by GC Promotes temporal and spiritual interests of Church Individual Bishops preside over ACs and CCs Helps set direction of church and its mission	69A 90R	All active & retired bishops Bishops are elected clergy Elected for life	Semi-Annually

<u>BODY</u>	<u>PRIMARY RESPONSIBILITY</u>	<u># MEM</u>	<u>COMPOSITION/SELECTION</u>	<u>MTG FREQ</u>
CONNECTIONAL TABLE	Coordinates total program of Church Coordinates mission, ministry and resources of TUMC Articulates TUMC vision	47	21 Elected from JC & 7 from CC Clergy & Lay General Agency Secretaries Member from Caucuses	N/A (Not Available)
JUDICIAL COUNCIL	Judicial Branch Interprets church law Determines constitutionality of proceedings at all levels of church life	9	Elected by General Conference	2x per year

GENERAL AGENCY BOARDS, COUNCILS & COMMISSIONS

<u>BODY</u>	<u>PRIMARY RESPONSIBILITY</u>	<u># MEM</u>	<u>COMPOSITION/SELECTION</u>	<u>MTG FREQ</u>
GENERAL COUNCIL ON FINANCE AND ADMINISTRATION	Coordinates & administers UMC finances Safeguards legal interests and rights Elects general sec who is also treasurer Prepares quadrennial budget for entire UMC Requires periodic audit of all agencies receiving funds from it Accountable for the financial plan of the Church	40	Elected quadrennially by GC 4 bishops 30 from jurisdictions, nominated by CofB from "Inclusive membership" * See Footnote 6 members at large	1x per year
GENERAL BOARD OF CHURCH AND SOCIETY	Implements social principles made by GC Analyzes long-range social trends Actions related to social justice Social-action & public-policy agency	63	"Inclusive membership"* 6 CC members, named by COB JCs elect members from nominations by AC with: 7 from NC; 8 from NE; 11 from SC; 12 from SE; 3 from W 6 episcopal members named by CofB Additional members to ensure inclusivity and expertise	N/A

GENERAL BOARD OF DISCIPLESHIP	Focuses primarily on local church Helps congregations win converts Nurtures spiritual life Oversees Christian education	58	"Inclusive membership"* 6 bishops, named by COB JCs elect members from nominations by AC with: 6 from NC; 7 from NE; 10 from SC; 11 from SE; 2 from W** CC members named by CofB 6 episcopal members named by CofB 3 members selected from Division of Ministries with Young People Additional members to ensure inclusivity and expertise	N/A
GENERAL BOARD OF GLOBAL MINISTRIES	Enables congregations & ACs to participate in mission activity Recruits, sends, receives missionaries	89	Elected by JCs, nominated by ACs with: 7 from NC; 7 from NE; 9 from SC; 8 from SE; 4 from W** One Half Women 7 members from CCs 5 additional from CCs	N/A

<u>BODY</u>	<u>PRIMARY RESPONSIBILITY</u>	<u># MEM</u>	<u>COMPOSITION/SELECTION</u>	<u>MTG FREQ</u>
GENERAL BOARD OF HIGHER EDUCATION & MINISTRY	Prepares persons for ministries around world Represents church in higher education Maintains contacts with ACs concerning the character & cont. education of church's professional leadership	64	JCs elect members from nominations by AC with: 8 from NC; 8 from NE; 11 from SC; 12 from SE; 3 from W** 6 CC members named by CofB 6 episcopal members named by CofB Additional members to ensure inclusivity and expertise	N/A

GENERAL AGENCY BOARDS, COUNCILS & COMMISSIONS con't

BODY	PRIMARY RESPONSIBILITY	# MEM	COMPOSITION/SELECTION	MTG FREQ
GENERAL BOARD OF PENSION & HEALTH BENEFITS	Serves clergy, lay employees & their families thru retirement & other benefit programs Provides medical coverage program, tax deferred annuities and death benefits Seeks assistance of other boards & agencies to establish benefits system for Central Conf. pastors	32	2 bishops elected by CofB 16 elected by JCs, nominated by ACs 6 elected by GC, nominated by CofB 8 members to ensure inclusivity and expertise	N/A
GENERAL COMMISSION ON ARCHIVES & HISTORY	Cares for historical interests of UMC Responsible for archival materials Maintains archives & libraries Makes recommendations to GC re: all national historic sites & heritage landmarks	24	10 elected by GC, nominated by CofB 2 bishops 5 presidents of jurisdictional commissions on archives and history 7 members at large elected by the commission 2 members from CC, inc. 1 bishop	N/A
GENERAL COMMISSION ON CHRISTIAN UNITY & INTERRELIGIOUS CONCERNS	Develops & interprets primary relationship of church to ecumenical & interreligious orgs and other churches Works toward unity & greater understanding w/in UMC	40	22 elected by JCs, nominated with: 5 from NC; 4 from NE; 6 from SC; 5 from SE; 2 from W** 9 members at large 4 bishops 1 from CC, elected by CofB	N/A

BODY	PRIMARY RESPONSIBILITY	# MEM	COMPOSITION/SELECTION	MTG FREQ
GENERAL COMMISSION ON COMMUNICATION	Provides communication programs & services Connects congregations News service Website	28	3 bishops 16 elected by JCs with: 3 from NC, 3 from NE, 4 from SC, 4 from SE, & 2 from W** 2 from CCs named by CofB 7 elected by the commission To ensure expertise in com.	N/A
GENERAL COMMISSION ON RELIGION AND RACE	Strives to ensure inclusiveness Assists ACs Administers Minority Group Self-Determination Fund	43	3 bishops 27 elected by JCs with: 5 from NC, 7 from NE, 6 from SC, 6 from SE, & 3 from W** 1 from CC named by CofB 12 elected by the GCOR&R	N/A
GENERAL COMMISSION ON THE STATUS & ROLE OF WOMEN	Advocates for women w/in church Develops policies & strategies re: sexism Develops guidelines for language	43	Majority are women 8 elected by the commission President is woman 3 bishops 2 from CCs, named by CofB "Inclusive membership"*	N/A
GENERAL COMMISSION ON UM MEN	Prepares male leaders Clearinghouse on related issues at local, district & conf. levels	25	2 bishops 5 jurisdictional presidents of UMM 6 elected by NACPUMM 2 from CCs, named by CofB 6 members at large Pres of UMM Foundation Pres of NAUM Scouters	N/A

UM PUBLISHING HOUSE	Operates publishing, dist, retail establishment Self-sustaining Can buy property & build w/out clearance from Connectional Table and GCFA	43	3 bishops 8 elected by UMPH Board 30 elected by JCs with: 6 from NC; 6 from NE; 7 from SC; 9 from SE; 2 from W** 2 Young Adults 2 from Central Conferences	N/A
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CONFERENCES

<u>BODY</u>	<u>PRIMARY RESPONSIBILITY</u>	<u># MEM</u>	<u>COMPOSITION/SELECTION</u>	<u>MTG FREQ</u>
GENERAL CONFERENCE	See above			
JURISDICTIONAL CONFERENCES	Elects bishops Elects general agency board members Regional bodies based on geography 5 in US Has right to carry on the program of the Church w/in the jurisdiction Has right to determine boundaries of the ACs Right to appoint Committee on Appeals	Varies	Equal number of lay & clergy Elected by ACs	1x per year
COLLEGE OF BISHOPS	<i>Grouping of all bishops within each JC</i> <i>Accountable to Committee on Episcopacy of JC</i>	Varies		
COMMITTEE ON EPISCOPACY		Varies		
CENTRAL CONFERENCES	Perform same functions as JCs except that they are outside US Have larger measure of freedom to adapt to needs of their location and work out their own structures	Varies	Half Clergy/Half Lay elected by Acs	Meets within the year succeeding GC

<u>BODY</u>	<u>PRIMARY RESPONSIBILITY</u>	<u># MEM</u>	<u>COMPOSITION/SELECTION</u>	<u>MTG FREQ</u>
ANNUAL CONFERENCES	Legislative and administrative body Vote on constitutional amendments - two-thirds vote required for passage Elect lay and clergy delegates to GC Have right to determine all matters concerning ordination, character, and conference relations of clergy Inquire into financial deficits & membership problems Functions thru large # of boards & agencies Primary "connector" of local churches	50+	Clergy members Conference leaders Lay leaders District leaders Each pastoral charges elects one lay member	1x per year

ANNUAL CONFERENCE - MANDATED BODIES

<u>BODY</u>	<u>PRIMARY RESPONSIBILITY</u>	<u># MEM</u>	<u>COMPOSITION/SELECTION</u>	<u>MTG FREQ</u>
BOARD OF ORDAINED MINISTRY	Board in each annual conference Responsible for clergypersons from first interest to retirement Recruits people for ministry Screens and tests candidates Administers scholarships and other funds of MEF Develops continuing education programs	N/A	Clergy members 1/5th to 1/3rd laity Bishop nominates members	N/A
DISTRICT COMMITTEE ON ORDAINED MINISTRY	Assists Board of Ordained Ministry	11+	6+ ordained clergy from district Rep from BofOM 3 lay members DS	N/A
COMMITTEE ON DISTRICT SUPERINTENDANCY	Supports DS in oversight of spiritual and temporal affairs of the Church, with special reference to the district	11	District lay leader 2 appointed by DS Remainder - 2 clergy, 2 laymen, 2 laywomen, 2 members at large "Inclusive membership"*	1x per year or more

BODY	PRIMARY RESPONSIBILITY	# MEM	COMPOSITION/SELECTION	MTG FREQ
DISTRICT BOARD OF CHURCH LOCATION AND BUILDING	Members elected annually for 3 year term Investigate all proposed local church building sites Consider recommendations of district strategy committee for parish development, one exists Seek ways to provide continuity of service in parishes where there is a change in racial, ethnic, or cultural character Investigate all proposed and existing buildings for energy efficiency	6 - 9	District Supervisor Members nominated by DS in consultation with district nominating committee, if one exists Elected annually by AC "Inclusive membership"*	N/A
PROVISIONAL ANNUAL CONFERENCES	Usually takes place on a mission field where the general growth in the scope of the work warrants it	10+	N/A	N/A
MISSIONARY CONFERENCE	GBofGM guides these Functions like a district conference	N/A	N/A	N/A
DISTRICT CONFERENCES	Optional structure Votes on issuing certificates of candidacy Lacks much authority; not widely used 40 - 80 churches in each district Each district has full-time superintendant Administrative program oversight of churches in district	N/A	AC specifies, giving attention to inclusiveness	N/A

<u>BODY</u>	<u>PRIMARY RESPONSIBILITY</u>	<u># MEM</u>	<u>COMPOSITION/SELECTION</u>	<u>MTG FREQ</u>
CHARGE CONFERENCES	Every church member votes to help elect lay members to Annual Conference, who then vote to elect lay delegates to JC, CC, GC Governs each local church General oversight of church council (LCs & Charges) Connecting link between LC and TUMC Presided over by DS Sets pastor's salary Interpret \$\$ apportioned to church for World Service and conference benevolences	Varies	Mirrors Church Council Can also have retired clergy & retired diaconical ministers DS presides *Elected by themselves	1x per year Can be called into special sessions
CHURCH COUNCIL	Month to month governing body Final authority over budget Administrative agency of the Charge Conference Size is determined by Charge Conference	Varies (12 - 50)	Elected officers Reps of nurturing, outreach, & witness ministries Chairs of key committees Pastor Lay leaders	Quarterly or more freq.

<u>BODY</u>	<u>PRIMARY RESPONSIBILITY</u>	<u># MEM</u>	<u>COMPOSITION/SELECTION</u>	<u>MTG FREQ</u>
LOCAL CHURCHES	Continuing & extending Jesus Christ's ministry & outreaching love Part of a district 3 mandatory committees: 1. Nominations & leadership development 2. Pastor-parish relations 3. Finance	N/A	Lay leader	N/A

NOTES

N/A denotes not available.

*Inclusive membership denotes the following categories: clergy, laywomen, laymen, racial and ethnic minority, youth and young adult, older adult, and people with disabilities. The goal for membership is that it be made up of one-third laywomen, one-third laymen, and one-third clergy; that it ensure adequate representation of youth, young adults, older adults, people with disabilities, and persons from small membership churches; and that it have at least 30 percent of the total be racial and ethnic persons.

** NC = North Central; NE = Northeastern; SC = South Central; SE = Southeastern; W = Western.

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