

MEMORANDUM

To: UUA Board

From: Peter Morales

Re: UUA Budget for fiscal year 2015

Date: April 4, 2014

Introduction

I certify that all expenditures proposed in the budget are in the furtherance of the Ends of the Association. Furthermore, I certify that the allocation of expenses among the programs has been determined in accord with the strategic vision of the administration.

This year's budget is highly unusual. It is a transitional budget that includes a number of expenses related to the move of UUA headquarters from Beacon Hill to 24 Farnsworth. As the Board authorized last fall, this budget includes \$750,000 to cover one time expenses (such as lease payments through December, 2014). This budget also assumes no increase or decrease in fund raising.

Because an increase in staffing could not be supported, we must move ahead on our key initiatives by redirecting existing staffing and expenditure levels.

You'll note that there are not major shifts in the budget dollars assigned to the various staff groups. That does *not* mean major shifts are not taking place in the ways in which we seek to achieve the Ends of the Association. The major changes are reflected in the *manner* in which our work is being done. Those shifts - some quite significant - are hopefully clearly communicated in the pages that follow.

As we began the preparation of this budget, I charged our senior leadership to ask two central questions about every activity:

1. Does it move us forward on our strategic direction?
2. Are we (UUA staff) the best people to do this?



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In this narrative we seek to make the connection between our Ends Interpretations, how our strategic vision serves those Ends, some anecdotal description of our short-term strategies and how you will see these reflected in the broadest sense in our budget proposal and budget shifts.

Outcomes we are seeking based on Ends Interpretations

As you will see in our Ends Interpretations, we seek the fulfillment of our Ends through these desired outcomes:

1.0 A healthy Unitarian Universalist community that is alive with transforming power, moving our communities and the world toward more love, justice, and peace in a manner which assures institutional sustainability.

- Our existing congregations and communities grow in strength, vitality and numbers and our movement expands beyond our congregations.
- Major initiatives' success is measured to ensure they are effective.
- Individuals and communities will be inspired to recognize and be responsible for creating change, and that they can only do this with others.

1.1 Congregations and communities are covenanted, accountable, healthy, and mission driven.

- Members of congregations and communities make explicit promises to one another and participate fully in the life of their communities.
- Congregations serve their members but also the surrounding community.
- Congregations are inspired toward and take responsibility for healthy behavior.
- Congregations and communities help people transform themselves and the world.



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1.2 Congregations and communities are better able to achieve their missions and to spread awareness of Unitarian Universalist ideals and principles through their participation in covenanted networks of Unitarian Universalist congregations and communities.

- Congregations and communities join into and contribute fully to cluster activities, and denominational gatherings at all levels.

1.3 Congregations and communities are intentionally inclusive, multigenerational and multicultural.

- UUA staff and structures will model the diversity we seek in others.
- Congregations will have resources to deepen their inclusivity in action.
- Congregations will be intentional in changing their cultures, structures and attitudes toward creating diversity.

1.4 Congregations and communities engage in partnerships to counter systems of power, privilege and oppression.

- UUA staff will create engage in partnerships for justice
- Congregations, communities, and individuals will participate in a larger UUA campaign structure (SSL) that emboldens and links their local action
- Congregations and communities will engage in justice-making in their own communities.

1.5 Congregations and communities have and use Unitarian Universalist Association resources to deepen the spiritual and religious exploration by people in their communities, to enhance the ministry of their members and to improve their operations.

- Congregations will have access to and engage resources designed to assist them in being covenanted, accountable, healthy and mission driven.

1.6 There is an increase in the number of people served by Unitarian Universalist congregations and communities.



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- There will be an increase in the number of people participating in congregations and communities.

1.7 There is an increase in the number of Unitarian Universalist congregations and communities.

- There will be an increase of new communities and congregations in relationship with the UUA each year.

1.8 There is an increase in the number of inspired ordained and lay religious leaders equipped to effectively start and sustain new Unitarian Universalist congregations and communities.

- There are more and varied structural opportunities for professional and lay leaders to engage in entrepreneurial leadership.

1.9 Unitarian Universalist institutions are healthy, vital, collaborative partners invested in the future of Unitarian Universalism, its principles and theologies.

- UU institutions are in vital, collaborative, mutually enriching relationship with one another and with the wider UU community.

Strategic Vision

We believe the Administration's Strategic Vision will lead our Association to these Outcomes. The Strategic Vision remains the same as previously presented to the Board in all major respects. It is entitled "UUA Strategic Plan - April 2013", available online at http://www.uua.org/documents/moralespeter/130402_strategic_vision.pdf.

Changes in Strategic Focus

The Strategic Vision has led us to re-examine many of our guiding paradigms and asks us to make significant changes in them. The following chart describes some of the most significant changes that we have been engaging in. While not necessarily changing the budget, the staff (whose salaries make up a good portion of the



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budget) are devoting their energies in sometimes radically different ways than previously.

For example, here are some of the shifts that are taking place because of the strategic focus:



FROM	TO	EXPLANATION
Creators	Curators	In the past there was a desire, almost a <i>need</i> , on the part of UUA staff to <i>create</i> everything that was provided to congregations. With so much wonderful content now easily available on the web, we've shifted to <i>curating</i> that which is most valuable and useful, cutting through the clutter that our congregations and their leaders don't have time for. (Think of the museum curator curating the best works of whomever.) We still create, but a shift to curation is clearly the more efficient and effective way to go.
"One to one"	"One to many and then many to many"	In the past, UUA staff took pride in providing one-to-one support to congregations and their leaders. More recently we've moved to "one to many" model, as when one staff person gathers leaders from multiple congregations for a

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		workshop. Our continuing shift is to "many to many" where we encourage congregations particularly skilled in a certain area to connect with other congregations for mutual learning and support.
Districts are autonomous	Regionalization	In the past, a district executive who spent three days consulting with a congregation in "another district" would expect reciprocity from that districts' DE within that same fiscal year. Now that concept of quid pro quo is unfathomable. "We are one UUA."
Maintenance	Innovation	In the past, it was seen as sufficient to keep the UUA institution going – system maintenance, in the most negative sense. Now there's a sense that the role of staff is to innovate – to do those things that congregations cannot do for themselves.
Expert	Connector	In the past, great pride was taken by being the expert to whom others were dependent on advice. We are clearly moving towards being the "connective tissue" that helps individual leaders, congregations, and communities connect with one another and use their individual

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		gifts for the benefit of the whole.
Program	Ethos	In the past, the emphasis of staff was on workshops, training, and curriculum. We are moving towards an ethos that emphasizes leadership development, experiential learning, and direct engagement. This is particularly evident in the area of AR/AO/MC.
Boston headquarters as a "Victorian museum"	Boston headquarters as a multicultural hub.	The move to 24 Farnsworth Street is more than simply a physical move. It is a literal "moving into the future" where the values of collaboration, cooperation and communication can take place more effectively because the physical space allows for and encourages it.
Service orientation	Participants in ministry	In the past, the focus has been on "providing services". We have and are continuing to evolve towards a focus being on participating in the larger ministry of Unitarian Universalism, finding those areas of ministry that national, regional, or district staff can be most value-added.

The role of the UUA

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Based on the Ends Outcomes and the Strategic Vision, and these described paradigm shifts, we believe the role of the UUA staff is to:

- Support the health and vitality of existing congregations
- Develop and curate resources to help individuals, congregations and communities reflectively grow in spirit.
- Broaden our awareness to include more people outside of our traditional circles.
- Broaden and enrich our partnerships with like-valued organizations.
- Broaden and enrich our partnership with organizations that are more culturally diverse than ours.
- Strengthen the ability of professional and lay leaders to be entrepreneurial, growing new and possibly different types of communities.
- Strengthen the ability of our congregations to be fruitful in fomenting UU values through active participation.
- Connect congregations more with one another and to the larger movement.
- Model, support and promulgate intentional efforts at increasing diversity in age, culture, race and class.
- Enhance the ability of individuals, congregations and communities to join in larger social justice efforts as well as to conduct their own at a local level.
- Provide support and partnership to other UU institutions.
- Bring field staff into greater alignment with the UUA through sustainable regional structures.



Specific Change Objectives

1. Congregations, communities and individuals have the resources to further their spiritual pursuits in a way that fits their unique needs and situations.
2. Congregations and communities are successfully able to help people live out our values in a way that is appropriate for today's world through new and innovative approaches.
3. The world is increasingly aware of UU values and individuals see them as strongly connected to their own lives.

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4. There is a vital and growing web of UU institutions and like minded partners who work together to make the changes our values call for.



Near-Term Strategies and Tactics Guiding Operational Decisions

Some examples of current strategic directions based on this analysis and our role in achieving outcomes:

- Strategy: Create a higher awareness of what UUism stands for and how we meet today's needs in the larger culture.
 - Tactic: Communications plan
 - Tactic: Branding strategy
- Strategy: Partnerships in learning.
 - Tactic: Congregational partnerships (Leap of Faith)
 - Tactic: Entrepreneurial ministry
 - Tactic: Models of multicultural ministry (Mosaic Makers)
- Strategy: Grow professional and lay leadership to address today's world and start new congregations and supports that speak to its people.
 - Tactic: Partner with seminaries around clarifying ministerial competencies
 - Tactic: Lay leadership programs addressing today's world and its needs
 - Tactic: Entrepreneurial ministry
 - Tactic: Youth leadership programs (Summer Seminary)
 - Tactic: Supporting leadership of people of color (Finding Our Way Home)

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- Strategy: Creating structures for “border-crossing” experiences.
 - Tactic: Partnering with the UUSC to create the College of Social Justice
 - Tactic: Collaborations with other denominations and social justice organizations around witnessing for equality (Mass Moral March)
- Strategy: Regionalization—the alignment of field staff with headquarters staff.
- Strategy: The move of headquarters.



Connection to Budget

As shared, the changes required to achieve the strategies and the objectives do not necessarily show up as changes in the budget but do show up in how the largest budget item, staff, is being realigned to reach them. By showing you how the changes in staff and a couple of major investments in the new building and increased communications are taking place the Board will be able to see the connection between the Ends as interpreted, the objectives, the strategies and the changes to internal focus and structure.

Examples of Budget Shifting

As expressed above, it is not easy to read our budget in alignment with these priorities, but we offer some examples of budget shifts we have made to illustrate:

- **Program and Strategy Team** - you will see that the budget is now re-organized so that all the major program areas and major strategic initiatives are in one grouping. This reflects our staff structure changes as well to allow us to align all of our program efforts with our strategic priorities.
- **Creation of an “Outreach Director” position** – rather than create another staff group, we are creating a new position

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within Program and Strategy specifically to help align all of our communication vehicles with our new branding strategies.

- **Congregational Life shifts** – prior years budgets for the Congregational Life staff group had large expenditures for national staff meetings. We have re-oriented and re-directed these monies toward fuller and deeper development of regional staff groups.
- **Next Gen Ministries** – in order to support a new collaboration between Growth Strategies and Ministries and Faith Development, we have re-allocated program expenses to support a full time campus ministry director and projects in alignment with entrepreneurial efforts.
- **Salary Increases** – In alignment with our principles and equitable compensation guidelines we continue to place a priority on trying to compensate our staff adequately. We believe this will result in more staff stability as well.
- **Human Resources** – We anticipate that the move toward aligning our regional staff (including “district only” staff, with national staff will create a strain on our HR capacity so we are adding a half-time administrative position to this area.



Refocused Missions of Staff Groups to Support Strategy & Ends

Without necessarily changing the budget, these are the refocused missions of the staff groups to support the strategy and the Ends:

Program and Strategy Office

This office is primarily responsible for developing our organizational strategy to advance the Ends and ensuring that our program plans and budgets are aligned with the strategy. In addition, the Program and Strategy Office oversees the development of our outward facing image, or brand, in a clear, compelling and differentiating way. In order to accomplish this, the FY15 budget includes a new position of Outreach Director.

This person will serve to guide communication efforts across staff

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groups to convey a consistent message and image. A key part of this will be ongoing work on the brand strategy and implementation.

Also part of this staff group is the College of Social Justice, our joint venture with the UU Service Committee. UUCSJ engages congregations in justice making around the world.

The Growth Strategies Office is within Program & Strategy and offers strategic analysis of various growth efforts, support of emerging groups and congregations, offers resources, and highlights models and best practices for growth.

Multicultural Growth and Witness (MGW)

This staff group develops resources and structures to foster the engagement of congregations and communities in partnerships to counter systems of power, privilege and oppression. The staff group accomplishes this primarily through Standing on the Side of Love (SSL) and our Witness Ministries.

The second major priority of this office is developing and curating resources for congregations and communities to be intentionally inclusive, multigenerational and multicultural. They uphold best practices and engage congregations in mutual learning. Mosaic Makers is a prime example of this work.

The budget for MGW was reduced slightly as we are searching for ways to make our work more sustainable by combining events such as Mosaic Makers with the Middle Collegiate Multicultural Experience.

International Office

The International Office engages Unitarians, Universalists and Unitarian Universalists across the globe to promote UU values and advance the cause of justice. The Office works through international partners such as the Partner Church Council, Religions for Peace, and the International Council of Unitarians and Universalists. It also includes the UU United Nations Office that represents UU values before representatives of the world



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community. The Holdeen India Program (HIP) is in partnership with Indian organizations working for justice and countering systems of power, privilege, and oppression.

Funding for this office comes largely through endowment funds.

Congregational Life

Congregational Life consists of the UUA's field staff and the Office of Congregational Stewardship. These staff provide direct guidance and resources for congregations to assist them in being covenanted, accountable, healthy and mission driven and financially sustainable. They assist congregations to grow in strength, vitality, and numbers. They foster covenanted networks through districts, regions and cluster events and trainings. They design innovative learning programs such as Leap of Faith. The resources of this office have been shifted recently from supporting national staff group meetings, to helping support robust regional staff structures.



Ministries and Faith Development

A strong professional ministry (including parish ministers, religious educators, musicians, and community ministers) are essential to achieving all of the Ends. Ministries and Faith Development supports all our professional credentialing processes, provides an infrastructure for ministerial transitions, trains interim ministers and provides pastoral care and support for religious professionals. They develop programming based on analysis of growth and healthy congregational opportunities and challenges, and collaborate heavily with our Professional organizations.

The Faith Development Office provides resources for lifespan religious education, worship, advocacy, and social action that nurture Unitarian Universalist identity, spiritual growth, a transforming faith, and vital communities of justice and love.

The Youth and Young Adult Ministries Office supports all Unitarian Universalist youth and young adults through advocacy, education, training, and resource development.

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This Office includes the Church Staff Finance Team which provides health insurance, retirement and benefit plans for our constituents. This office is financially self-sustaining.

Communications

The Communications staff group is the primary in-house publisher of UU resources and communication vehicles (Skinner House and the UU World magazine), oversees the UUA Bookstore which features key congregational resources, plays a leadership role in the helping us determine priorities in public witness and advocacy, and provides the primary interface between the UUA and media outlets, including training congregational leaders in best practices in media relations.



Administration

The Human Resources department develops and nurtures the staff and creates policies and structures that fulfill our covenantal values and model the diversity we encourage in others.

The Administration develops efficient systems to support staff groups.

Stewardship and Development

The Stewardship and Development staff group are the chief fundraisers for the Association, structuring opportunities for generous giving by congregations and individuals. They are actively exploring new platforms for fundraising and long-term financial sustainability. Their mission is encouraging stewardship of the Association at the national level and in our regions, districts and congregations. Approximately 30% of the staff group's resources are devoted to direct congregational services including legacy giving, umbrella giving, and processing gifts of securities.

Information Technology Services

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The move to Farnsworth Street has enabled the ITS staff group to develop an upgraded voice and data network to enhance the ability of the national staff to provide resources to congregations. The many meeting rooms are outfitted for web conferencing. The budget also reflects a new content management system that will make the website more agile, engaging and interactive.

Internal Services

This part of the budget includes financial services and facilities, which are dedicated to enabling work of the program staff groups. Approximately 35% of Financial Services' resources are devoted to direct services to congregations and social justice work – specifically, the Common Endowment, building loan program, and shareholder advocacy.



Budget Detail

The transmittal memo is appended as a separate document.