

MEMORANDUM

To: UUA Board
From: Peter Morales, President
Re: UUA Budget for Fiscal Year 2017
Date: March 24, 2016

Executive Summary

I am pleased to present the proposed budget for FY2017. As required by our governance model, 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.

The UUA budget exists within the ecology of larger market forces. Recent market adjustments combined with lower percentage payouts from both the UUA Common Endowment and outside trusts (including a 40% decrease in payout from Holdeen) put a strain on an otherwise healthy projection for income. I have reviewed and accept the Stewardship and Development team's projection of a slight increase over last year. Beacon Press has expanded revenues and increased staffing and production. Membership in UUA congregations is down slightly, with a sharper decline in RE enrollments.¹ The membership decline affects Annual Program Fund income. The expense budget for programs and administration was held nearly flat over the prior year, but cost of living and health insurance increases create a structural deficit which requires long term planning to reduce staffing over time. FY17 layoffs were avoided through a strategic reduction of open positions and internal transfers.

At each quarter of the budget year we will be assiduously examining our actuals vs. projections and will make changes if necessary at

¹ From FY15 to FY16, adult membership is down 1.1% and RE registration down 5.7%.



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each of those stages. This is consistent with the administration's practice over many years.

Key aspects of the FY 17 Budget

Regionalization & Restructuring of APF –

This links most closely with Ends 1.0, 1.5 and 1.9

- The UUA is currently in negotiations with the New England and Central East regions to bring staffing and assets into the UUA structure.
 - Similarly to the Southern Region, income previously collected by the region will now be reflected in UUA income (APF).
 - The staff that used to be employed by the Regions are now UUA employees.
 - Several district offices have been closed and administrative functions combined for future cost savings.
 - APF has developed a new congregational connection structure, the Generosity Network, which will help our congregations to better understand the importance of covenantal giving through APF and GIFT.
 - The UUA Board of Trustees has appointed an APF Task Force to make a recommendation on how and when to roll out a Congregational giving approach that will best sustain the Association into the future, with the core question being whether and how to replace the existing “per-member” formula with a formula based on ability to pay (% of budget).

Dorothea Brayden 3/28/2016 7:41 AM

Comment [1]: Need to figure out when these are capitalized and when they are not. It varies in the bullet points below.



Anti-Racism/Anti-Oppression Work –

This links most closely with Ends 1.3 and 1.4

- The FY17 budget reflects a sustained commitment to the intersectional work of the Movement for Black Lives, including investing in the health and vitality of UUs of Color.
 - The UUA allocated additional financial resources for



- Standing on the Side of Love to network experiences UU organizers, including those engaged in The Movement for Black Lives, as part of SSL's goal to amplify faith-based racial justice movement building.
- Beacon Press continues to publish at the leading edge of the Movement for Black Lives, with three books at the exploratory level in this area.
 - Funding for THRIVE (formerly called the Multicultural Leadership School) has been increased to allow for greater capacity in leadership development for UU youth and young adults of color. The youth program has been regionalized (West and East) while the young adult program is now separate, offered in partnership with the College of Social Justice.
 - The Finding Our Way Home retreat for UU Religious Professionals of Color has expanded to over a hundred participants. The FY17 budget increases support for this important program.
 - Seed funding has been set aside to develop support for Trans UU religious professionals in partnership with TRUUsT, following the first ever retreat for UU Trans religious professionals in April.

Innovation and Outreach –

This links most closely with Ends 1.6 and 1.7

- We continue to invest in entrepreneurial and “intrapreneurial” ministry through our partnership with the UU Ministers Association, curation/training of innovation in religious education, and support for emerging and multi-site ministries in Congregational Life. The Outreach Office is increasing its support for Worship Web, and the creation of outreach/social media tools for congregations, as well as targeted outreach to interfaith, LGBTQ families and military families.

Unitarian Universalist College of Social Justice –

This links most closely with Ends 1.4 and 1.9

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- We have increased support for the College of Social Justice in keeping with the five-year commitment that spans 2012-2017. In addition to service-learning experiences, [the](#) UUCSJ also offers other justice-oriented educational opportunities, including youth justice trainings and young adult internships. UUCSJ programs are grounded in Unitarian Universalist history and theology, contemplative practice, social change theory, and multicultural competency.

Revenue Development –

This links most closely with Ends 1.0, 1.5 and 1.9

- We have increased revenues through building rentals, increased bookstore sales, and are exploring how we might monetize OWL for Elders among other resources.

Staff Salary Increases –

This links most closely with Ends 1.0 and 1.9

- In alignment with our Principles and equitable compensation guidelines we continue to place a priority on trying to compensate our staff fairly. Experience shows that this increases staff stability and allows the UUA to remain competitive with the market for staff in areas of high demand such as IT.



A Note on the Appendices

The appendices below are included as background information and are intended especially for new board members. These have been included in prior years. Returning board members may find them useful for reference.

APPENDIX I

Desired Outcomes 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 that 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.



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

- 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.



APPENDIX II

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:

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 workshop. Our continuing shift is to "many



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		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 gifts for the benefit of the whole.

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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 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.

APPENDIX III

The role of the UUA

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.



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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.
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: Create and support lay leadership programs addressing today's world and its needs
 - Tactic: Nurture entrepreneurial ministry
 - Tactic: Develop and resource youth leadership programs (Summer Seminary)
 - Tactic: Support leadership of people of color (Finding Our Way Home)



- Strategy: Creating structures for “border-crossing” experiences.
 - Tactic: Partner with the UUSC to create the College of Social Justice
 - Tactic: Collaborate 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.



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.

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

With the departure of the Program and Strategy Officer, the focus in FY17 will primarily be the successful implementation of the initiatives developed in recent years rather than developing new initiatives, acknowledging that the priorities of the new administration may change in July, 2017.

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 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) is essential to achieving all of the Ends. Ministries and Faith Development (MFD) 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.

MFD includes the Church Staff Finance Team which provides health insurance, retirement and benefit plans for our constituents. The Office of Church Staff Finance 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 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

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.

