

MEMORANDUM

To: UUA Board of Trustees
From: UUA Administration, submitted by
President Susan Frederick-Gray
Acting Chief Operating Officer Carey McDonald
Treasurer Tim Brennan

Re: Budget Planning for 2018-2019
Date: April 2, 2018

We are pleased to submit to the Board of Trustees for its approval a balanced and faithful budget for Fiscal Year 2019 (July 1, 2018 to June 30, 2019) for the Unitarian Universalist Association. With this budget, the UUA staff will continue its faithful work in three primary mission areas: supporting congregations, training leaders, and advancing our values in the wider world. Through careful planning and management, this flat budget allows us to invest in our covenantal relationship with our member congregations and partners, focus on our key priorities, and overall maintain current levels of service in each of our primary mission areas.

The foundation for this year's budget planning process has been the UUA's ongoing commitment to dismantling white supremacy and working to model and advance equity and liberation within and beyond our organization. Funding for FY19 includes the following items:

- Designated funding to support organizational equity, inclusion, and institutional change, led by Taquiena Boston, Special Advisor to the President. Funding will support cross-staff learning opportunities, individual and staff-group coaching, and skill development for front-line UUA staff working with congregations;
- Continuing to fully fund our commitment to Black Lives of Unitarian Universalism (\$5.3 million within five years, plus endowment-equivalent support over that period and no-cost fiscal sponsorship), and for the Commission on Institutional Change (\$500,000 over two to three years);
- Investment in the ministries of religious professionals who hold marginalized identities, including ongoing support for the annual Finding Our Way Home gathering for UU religious professionals of color, and first-time budgeted support for the annual retreat of Transgender Religious Professional UUs Together (TRUUsT); and
- Other specific equity-based priorities in each staff group that were identified during the budget process.



Recognizing staff are our biggest asset, we are planning to analyze and revise our salary schedules to embody our institutional commitments to equity. The FY19 budget includes cost-of-living and equity salary adjustments, which will be allocated in part based on this analysis. We are also continuing all current benefits and funding for the UUA retirement plan at the 11% level.

The UUA's FY19 budget reflects the financial trends, that have been present for years, of level revenues and increasing costs. The UUA's largest single source of income, the Annual Program Fund, is undergoing a major transition in three of the five UUA regions next year to a new formula based on a congregation's ability to pay rather than its number of members. Years of careful planning have led up to this transition, and we feel confident that we can maintain stable APF performance given the strong returns we have seen through APF so far in FY18. Predictions for donor fundraising are modest, acknowledging the demands of the BLUU campaign, and projections for publications income are reduced, reflecting a more honest estimation given past performance. The UUA's primary assets are better leveraged this year, as endowment performance continues to be steady and we have developed new plans for building management and rental income.

Additionally, in order to invest in our priorities, we have reduced spending overall in nearly every staff group. These spending reductions include not filling certain positions that will be open from attrition and improving our accounting for expected facilities and staff transition costs. Additionally, several ideas emerged through the budget process for ways to enhance collaboration and free up staff capacity, which will allow us to further align our resources in service of our mission.

We have endeavored to create a budget that allows the UUA to be a successful caretaker of its resources, realistic in its revenue projections, and more creative in addressing urgent challenges. We believe we have drafted a prudent budget that invests in our key priorities around equity and institutional change. We look forward to further reviewing this budget at the April Board meeting.

