

MEMORANDUM

To: UUA Board of Trustees
From: UUA Administration, submitted by
President Susan Frederick-Gray
Executive Vice President Carey McDonald
Treasurer Tim Brennan

Re: Budget Submission for 2020-2021
Date: April 5, 2019

We are pleased to submit to the Board of Trustees for its approval a balanced and faithful budget for Fiscal Year 2020 (July 1, 2019 to June 30, 2020) for the Unitarian Universalist Association. With this budget, the UUA staff will continue its work in three primary mission areas: equipping congregations, training and credentialing leaders, and advancing UU 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 core commitments affirmed by this year's budget submission are the UUA's ongoing work to build an Association that embodies the beloved community in which people of all identities and backgrounds can thrive, dismantling white supremacy and patriarchy and advancing equity and liberation within and beyond our organization. Funding for FY20 includes the following items:

- The Justice, Equity, Diversity and Inclusion (JEDI) Team – supporting the cross-staff team to that is leading workplace and cultural change within the UUA staff, including hosting learning opportunities, assessing cultural change and equity, and providing for staff covenants and agreements;
- Ongoing investment in the ministries of religious professionals who hold marginalized identities, including the annual Finding Our Way Home gathering for UU religious professionals of color and the annual retreat of Transgender Religious Professional UUs Together (TRUUsT);
- Increased staff support for the Our Whole Lives program;
- Renewed staff support for young adult ministry;
- Financial support for independent identity-based groups, including continued funding for EquUal Access, and renewed funding for Diverse and Revolutionary UU Multicultural Ministries (DRUUMM) leading towards a memorandum of understanding we anticipate signing later this spring;
- Continued funding for the final year of the Commission on Institutional Change; and



- Specific equity-based priorities in each staff group that were identified during the budget process.

In the current year, the Multicultural Growth and Witness (MGW) staff team was reorganized so that multicultural ministries and programs joined the Ministries and Faith Development (MFD) staff group, institutional equity and change leadership joined the Office of the Executive Vice President (EVP), and the new Organizing Strategy Team (OST) remained as an independent staff team. You will see this manifest as lower expenses in the MGW staff area with increases in MFD and the EVP. This change represents overall stable funding and staffing, with a modest increase to the OST.

The UUA's FY20 budget reflects the multi-year financial trends of flat revenues and increasing costs. Last year we saw, for the first time, a multi-year decline in bequest revenue well below historical averages that has continued through this year. Therefore, we have substantially revised bequest projections downward for FY20. We were able to project additional rental income for the coming year, since the UUA's three tenants are vacating their space and we anticipate higher lease rates for their tenant successors. For donor-based fundraising, we hope to grow the Leadership Annual Giving category of ongoing giving, and plan to close out campaign commitments to the Promise and the Practice Campaign for Black Lives of UU and UUA institutional change.



The UUA's largest single source of income, the Annual Program Fund, is completing a major transition to implement in all five UUA regions next year the new formula based on a congregation's ability to pay rather than its number of members. Countless hours of planning and relationship building have led up to this transition, and we remain confident that APF attainment will continue in a positive direction. We strongly believe that growth in APF is the pathway towards growing our revenue base; in the coming year, we recognize the need to raise awareness about how getting APF attainment back to the rates seen in the mid 2000's is essential for making the transformative investments in our faith that our aspirations require.

Transparently, this was a more challenging budget year than FY19 as these challenging financial trends continued. The submitted budget reduces spending overall in nearly every staff group. We have eliminated five staff positions through not filling open positions and consolidating or restructuring others. It also includes areas to ask for savings from board and committee budgets that we look forward to discussing with you at the April meeting.

We have submitted a budget that makes high-impact investments in key mission areas, including equity and inclusion, while reducing and restructuring investments in other areas to allow the UUA to responsibly steward our faith's resources, remain realistic its revenue projections, and become more creative in addressing urgent challenges. We look forward to further reviewing this budget at the April Board meeting.