

## Northern New England District Board Dissolution FAQs

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### Organization

**Q1 - What is the difference between the Northern New England District, the New England Region, and the Unitarian Universalist Association (UUA)?**

The **Northern New England District** (NNED) came into being in 2008, when the congregations of the New Hampshire-Vermont District and the Northeast District (Maine) consolidated. The NNED is a 501c3 nonprofit corporation registered in the state of New Hampshire. The programs and services formerly offered by the District staff are now provided by the New England Regional staff team. The District board oversees the remaining work of the district. A separate board of Investment Fund Trustees are responsible for the District assets of approximately \$3.6 million.

The **New England Region** (NER) came into being when our UUA organized the program staff into five geographical regions. In 2015 the program staff of the NNED joined with the staff from the other New England districts (Mass Bay, Ballou Channing, and Clara Barton) to form a unified staff team. Over the next two years, the NNED board worked with the other districts and our UUA to craft a Memorandum of Understanding (MOU) defining the relationships between these five entities. The MOU was accepted by the congregations of the NNED by a vote at the 2017 annual meeting. According to the terms of the MOU the NNED contributes most of the annual income from our investments to help fund the regional staff team.

The New England Region is not a separate legal entity and is not an independent 501c3. Rather it is a geographical division of UUA staff and resources allocated to serving all our congregations in New

England. Workshops, conferences, webinars and Zoom meetings are open to any of us who want to participate, regardless of the particularity of the geographic state in which we live.

The **Unitarian Universalist Association (UUA)** is the association of congregations that in covenant and collectively comprise the body of Unitarian Universalism. The congregations elect a governing body that acts on behalf of and for the collective benefit of the Association of congregations. It offers programs and services that congregations could not provide by themselves. It also manages program staff organized into five geographical regions throughout the nation. Our New England Region staff are employed by our UUA.

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## **Q2 – How are the activities of our UUA funded?**

The major source of funding for our UUA comes from congregational contributions to the Annual Program Fund (APF). Our UUA uses a formula to determine an appropriate amount for each congregation to contribute based on their budgeted expenses with several exceptions to equalize geographical and economic differences.

Another source of funding is income from endowments and investment funds. Since the creation of the New England Region in 2017, most of the income from the NNED investment fund has been sent to our UUA. In FY 2020, this amounted to a little over \$139,000. This money is used to fund program staff in New England. Using only the income from our resources ensures we are respecting the wishes of donor bequests over the years.

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## **Q3 – How does northern New England compare to other regions in supporting our UUA?**

In general, New England congregations have a poor track record in financial support to our UUA. However, within New England, congregations in northern New England do a much better job.

In fiscal year 2018, 60% of our NNED congregations contributed between 50% and 100% of their fair share contribution in support of our UUA. This means that 4 in 10 of our congregations contributed less than half their fair share. In fact, 11% were unable to contribute anything at all. At the other end of the spectrum, 35% were named Honor Congregations, contributing their full fair share. In fiscal year 2019, our NNED Honor Congregations increased to 41%. While we are very proud of that 41%, only 3 districts contributed at a level lower than ours; and they were the other 3 New England districts.

By comparison, the most faithful districts contributing at the Honor Congregation level to the APF in FY 19 were the Pacific Northwest District at 79%; the Pacific Central District at 69% and Metro New York at 68%.

While we are heading in the right direction in our support of our UUA and all they do for all our congregations, the goal of giving at the level of 100% Honor Congregations seems a long way off. What matters is that we understand that our UUA/Regional staff support us whether we pay our fair share or not. When we need them, and we call for their help, they are there for us. This is possible, in part, because so many congregations around the rest of the country do pay their full fair share so that our UUA staff can help any congregation, anywhere, no matter their size or financial resources.

[More congregational stewardship data](#)

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## Investment Fund

### Q4 – What are the total assets of the NNED?

The NNED Investment Fund holds approximately \$3 million. In addition, \$540,000 was placed in our UUA Common Endowment Fund on our behalf by the donors who made these bequests. There are \$77,000 in outstanding loans that we have made and receive interest income from. This is a total of approximately \$3.6 million in assets.

This money comes largely from individual bequests to congregations and other UU organizations that have since closed or merged. About 98% of all those funds have followed a line of designated successor organizations. For example, the NH State Universalist Convention was transferred to the NH-VT District, then to the NNED invested funds; the Maine endowment funds to the NNED invested funds. (Note: funds held by the Vermont-Quebec Universalist Unitarian Convention were not committed to our shared NNED invested funds, but continue to be held by them, and income is distributed to Vermont and Quebec congregations through small annual grants.)

When the NNED dissolves, in the event that there is no successor organization designated, our assets will be transferred to our UUA.

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### Q5 - What do we draw from our investment fund and how is it used?

The NNED currently manages an Investment Fund of approximately \$3 million. Each year, the trustees of the Investment Fund recommend an amount that can be safely drawn from the fund without jeopardizing the fund principal. Currently the draw rate is set at 4.5% annually. This generates about \$137,000 in funds to be used to meet the District's obligations.

The money drawn from the Investment Fund is used primarily to fulfill NNED's obligations to the New England Region of our UUA as defined in its Memorandum of Understanding (MOU) with the Region. The money helps fund the salaries of regional personnel that provide consulting, education, and other services to UU congregations throughout New England.

In addition, we receive approximately \$27,000 in income from our assets held in the Common Endowment Fund and this money is currently used to fund two part-time staff positions, legal expenses, and governance activities.

[More info on investment strategy](#)

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## Dissolution

### Q6 – Why is the NNED board proposing to dissolve the District now?

In the past, the NNED board co-employed with our UUA staff who delivered services to congregations in the District. Co-employment means that the funding of District staff salaries was shared between the District and our UUA. Staff had two "bosses" and two sets of goals and expectations. After District

staff were merged to form the New England Region staff team, the NNED board decided to continue its existence with the intent of fulfilling the mission of our bylaws and managing the Investment Fund.

After two years of attempting to deliver services to fulfill our mission, the NNED board realized that the supports needed by congregations were being effectively and responsively delivered by the regional staff team and the continuation of the District structure was ineffective and a barrier to congregations developing a meaningful relationship with the region.

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#### **Q7 – What will become of the NNED Investment Fund after dissolution?**

Invested funds will be transferred to our UUA for management and will continue to be used in essentially the same manner as they are being used now: to ensure staff are available to all New England congregations in need of counsel and support.

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#### **Q8 - Why do we transfer income from our investment funds to our UUA?**

A careful review was conducted of endowment funds, bequests, and congregational closing documents that make up the NNED Investment Fund. Most of them designated successor organizations. It is clear from the review that the intent of the donor was to support our faith into the future, no matter what the prevailing organizational structure looked like.

We learned that 98% of all endowment funds have followed a line of designated successor organizations (for example, the NH State Universalist Convention to the NH-VT District, then to the NNED invested funds; the Maine endowment funds to the NNED invested funds).

Our NNED bylaws do not specifically name a successor organization but state that, if no successor organization is designated, our assets will be transferred to our UUA. The New England Region of our UUA is a division of our UUA and not a separate entity. As such, it cannot legally be named as our successor.

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#### **Q9 - What will our UUA do with the money once they are managing it?**

Currently, NNED Investment Fund distributions are used to support operations of the New England Region staff team, which benefit all congregations within the region. The funds will continue to be used in a substantially similar manner. Interpreting the word “exclusive” in the NNED dissolution clause in a way that attempts to prohibit a congregation not located in Northern New England from receiving any benefit from NNED assets, when they are deployed in a substantially similar manner to their current purpose, would be impossible to track precisely through the financial structures of the New England Region and would not reflect the mutual commitments UU congregations make to one another.

The Region and our UUA commit to maintaining the use of NNED assets in a substantially similar manner to their current usage.

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#### **Q10 – How will dissolution affect delivery of services by our UUA to congregations?**

Services to our Northern New England congregations will remain largely unchanged. The same people will be working with congregations after dissolution as work with them now, and they will be delivering the same services. Of course, staff may change and service delivery may evolve over time, as we have seen in the extraordinary work of our UUA staff during the Covid-19 pandemic, but the dissolution of the NNED will not have an impact.

Remember that our New England staff is always ready to return a phone call if you reach out for advice or help.

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### **Q11 - What services does the New England Region provide for my congregation?**

In 2017 the congregations in our District approved the merging of our District staff with the staffs of the other districts in New England. Since then, all services to congregations in New England have been provided by the combined staff. What services do they provide?

Here is a list, which probably includes more than one service your congregation has received from our regional or national staff:

- **Conflict transformation**
- **Individual and group consultations and coaching**
- **Board and leadership retreat facilitation**
- **Support for ministers and congregations in ministerial transition.**
- **Search and settlement support for interim, part-time and consulting ministries.**
- **Consultation on congregation-based justice ministries.**
- **Support for lifespan religious education and faith formation.**
- **Small congregations support and congregational collaborations.**
- **Stewardship support. Regional staff also design and deliver in-person and online [learning events](#).**
- **Extraordinary support to all our congregations, our ministers, our administrators, our lifespan religious educators and our talented musicians during Covid-19.**

A complete and thorough description is available at the [New England Region website](#).

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### **Q12 – Who are the Regional staff and how will they stay in touch with my congregation?**

Regional staff services are always available to congregations either by email, phone or through the New England Region website. To ensure that all congregations in Northern New England are in relation with the Regional staff, they initiate two contacts per year. This was expanded during the COVID-19 pandemic with additional outreach to congregational ministers and presidents. If your congregation has specific questions or concerns, you can contact any member of the regional staff to get the assistance you need.

A complete list of program staff and their contact information can be found at our UUA New England Region website: <https://www.uua.org/new-england/staff-contacts>

The NER Website also posts their monthly newsletter, and you can email Joy (see below) if you would like the newsletter to be delivered to your inbox).

If you don't know who to call or you have a specific question about services, contact:

Joy Blanchette,  
Regional Administrator  
(617) 948-6415  
newengland@uaa.org

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### **Q13 - Can the motion for dissolution being presented by the NNED Board be amended?**

Technically, by Robert's Rules and the specific Rules of Procedure for our meeting, the Resolution of Dissolution could be amended by delegates at the meeting. Because of the nature and importance of the Resolution, however, as a board, we are strongly recommending that delegates not do so, and we have included in the Rules of Procedure for the meeting a provision stating that the Resolution of Dissolution will be considered for a vote as presented without amendment.

In accordance with our usual practice, the Rules of Procedure themselves can be amended by 2/3 vote of the delegates, so it remains true that if the overwhelming majority of delegates feel that there is a sufficient need to do so, they can decide to amend the Resolution.

There are many reasons why your NNED Board are making this strong recommendation to dissolve the District with an up or down vote on the resolution as presented. For one, the Resolution of Dissolution, as well as the Plan for Dissolution that will be followed should the delegates vote to dissolve, have been worked out with our relevant UUA staff colleagues over a long period of time and in consultation with counsel on both sides. We do not feel that it is appropriate for this carefully worked-out Resolution to be changed easily and without it being the overwhelming preference of a super-majority of the delegates. It is also important to note that while the Resolution of Dissolution could technically be amended, the Plan for Dissolution cannot be amended by delegates, and would need to be renegotiated with our UUA, which would require a significant additional investment of time and resources.

We are also keenly aware that this decision has been a challenging and deeply thought-out one for our congregations and their members. As a board, we have done our best to make sure that all congregations had the information needed to inform this decision. We feel strongly that asking delegates to consider amendments, which could be numerous and complex, in the context of the meeting time, without significant forethought, would be unfair.

It's for that reason, as well as for the general need for extensive planning and negotiation relative to the possible transition after dissolution, that the board offered the petition process for seeking financial set-asides in conjunction with dissolution. To honor the momentous nature of the decisions involved, we intentionally made that process one that required significant energy and communication among congregations. It was, we feel, appropriately involved, and clearly it was also, as we hoped, achievable, as one petition was completed and submitted in accordance with the procedure, though that petition has since been withdrawn.

We hope it's clear that we, as your board, are both dedicated to following fair and well-grounded procedures for voting on this decision, and also that we feel strongly, for many reasons, that the Resolution of Dissolution should not be subject to amendments during the meeting.

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## Appendix I: Further Info on Congregational Stewardship Data

Nationwide, Annual Program Funds (APF) attainment rates dropped from 84% in fiscal year 2006 to 71% in fiscal year 2015. In that year, 2015, a total of 43% of our NNED congregations contributed nothing at all to our UUA's Annual Program Fund, though our congregations did a much better job of supporting the Northern New England District Annual Fund.

### 2018 APF Levels of Giving to APF by NNED State versus "Fair Share"

Level of Giving	#/% Total (69)	#/% Maine (25)	#/% NH (23)	#/% VT (21)
100% or more	24/35%	6/24%	7/30%	11/52%
75-99	10/15%	3/12%	3/13%	4/19%
50-74	7/10%	3/12%	4/17%	0/0
25-49	11/16%	4/16%	5/22%	3/14%
10-24	5/7%	3/12%	1/4%	1/5%
0-9%	11/16%	6/24%	3/13%	2/10%
50% or more	60%	48%	60%	71%
Less than 50%	39%	52%	39%	29%

## Appendix II: Further Information on Investment Strategy

The District's Investment Fund Trustees employ a "total return" policy to determine the pool of funds used to distribute money from the NNED's investment fund. This policy considers the income earned, dividends received and capital appreciation of the funds contained within the Investment Fund. It is from this pool of interest, dividends and capital appreciation that money is distributed or "drawn."

The NNED's Investment Policy Statement establishes the portfolio management guidelines and distribution rules that the Endowment Trustees use to make their endowment-related decisions. Guided by this policy, the Trustees establish an annual draw rate for its distributions to the NNED operating fund and other defined beneficiaries of the NNED endowed funds.

The NNED's annual draw rate is based on the 13-quarter rolling average balance as of December 31 of the prior calendar year. Distributions are made quarterly in the first month of each quarter.

To preserve the real value of the endowment, the annual draw rate is capped at 5% and may be lower depending on current and anticipated market conditions. The draw rate for the current fiscal year 2019-2020 is 4.5%.