

## *Diocese of Olympia*

### **Report of the Resolutions Committee to the Convention**

*submitted by the Rev. Jedediah Fox, chair*

Members of the Committee: The Rev. Rilla Barrett; the Rev. Jedediah Fox, chair, Church of the Redeemer, Kenmore; Micah Kurtz, St. Columba's, Kent; Mary Maxon, St. Luke's, Vancouver.

To reach the Resolutions Committee, email: [resolutions@ecww.org](mailto:resolutions@ecww.org)

Actions of the Committee: On October 18<sup>th</sup> the committee met to review the three resolutions which were submitted by the 45 day canonical deadline of September 13<sup>th</sup>. Below are the committee's recommendations, as well as the full text of the resolution, including any explanation.

#### **Recommendations from the Resolutions Committee**

**Resolution #1:** The Committee recommends **DO PASS** on Resolution #1 entitled 2025 Diocesan Assessment Rate, submitted by the Diocesan Council.

**Resolution #2:** The Committee recommends **DO PASS** on Resolution #2 entitled Cost of Living Adjustment (COLA) to Salary Scale for 2024, submitted by the Personnel Commission of the Diocese of Olympia.

**Resolution #3:** The Committee recommends **DO PASS** on Resolution #3 entitled Enhance Access to the Denominational Health Plan, submitted by the Personnel Commission of the Diocese of Olympia.

## **Resolution #1 – The 2025 Assessment Rate of the Diocese of Olympia**

*Submitted by the Diocesan Council of the Diocese of Olympia*

**Resolved**, that this 113th Convention of the Diocese of Olympia approve the diocesan assessment rate factor be set at 14.5% of the Net Disposable Income (NDI).

**Explanation:** In accordance with Canon 7, Diocesan Convention determines the assessment rate for the second year of assessment following determination; thus, the 2023 Convention sets the 2025 assessment rate. Over the last 19 years, the rate has been steadily reduced to its current rate of 14.5%. From 2004-2006, the rate was 20%. From 2007-2011, the rate was reduced to 18%. In 2012, the rate was 17.5%. From 2013-2015, the rate was 17%. In 2016, the rate was 16%. In 2017 and 2018, the assessment rate was 15%. Since 2019, the rate has been steady at 14.5%.

This recommendation is based on the following factors. First, congregations throughout the diocese continue to contribute their assessments in a timely manner, and with rare exception, congregations pay their assessment balances in full. In addition, diocesan staff continue to be good stewards of the resources entrusted to them by carefully managing expenses of programs that support the vision of the diocese. Finally, 2025 will be the first full year of ministry with a new bishop diocesan. However, the operating budget for 2025 will be approved by Diocesan Council in the summer of 2024 before the new bishop is consecrated. Holding the assessment rate of 14.5% for 2025 will give the new bishop time to live into the vision discerned by the diocesan governing bodies several years ago. It will also give the new bishop, the governing bodies, and staff time to discern whether updates are needed to the vision or to the funding models of the diocese. If changes to the current assessment model or rates do occur, the earliest those would be proposed to Convention would be 2025. The earliest those would take effect would be January 1, 2026. That assumes there are no unanticipated material changes in revenues or expenses in 2025.

In addition to income from assessments, the diocese relies on capital gains and use of net assets fund operations. Use of capital gains and net assets to balance the budget is governed by the Board of Directors in accordance with a long-standing expenditure policy for endowments. This policy is designed to preserve underlying investment balances while also giving the diocese flexibility to use a portion of those investments to carry out the ministry and mission of the diocese. If actual assessments and other revenue equal or exceed budget and if actual expenses come in under budget, then the use of capital gains and net assets is minimal in a given year. If actual revenue is under budget or expenses exceed budget, larger draws from capital gains and net assets will be necessary.

## **Resolution #2 – Cost of Living Adjustment (COLA) to Salary Scale for 2024**

*Submitted by the Personnel Commission of the Diocese of Olympia – do pass*

**Resolved**, That this 113<sup>th</sup> Convention of the Diocese of Olympia set the Cost of Living Adjustment for 2024 parochial clergy salary scale and Office of the Bishop staff salary scale at 4.6%.

**Explanation:** As required by Canon 23, sections 2 and 5, the Personnel Commission, in August 2023, proposes the Cost of Living Adjustment (COLA) for 2024 for the Parochial Clergy Salary Scale and the salary scale for Office of the Bishop staff. The Personnel Commission uses the year-over-year change to the Bureau of Labor Statistics Consumer Price Index (CPI) for the Seattle-Tacoma-Bellevue area to determine the COLA. For June 2022 to June 2023 the CPI reported an increase in the cost of living of 4.6%. The Consumer Price Index (CPI) measures the average change in prices over time in a fixed market basket of goods and services. The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. The Seattle-Tacoma-Bellevue metropolitan area comprises King, Pierce, and Snohomish Counties.

The diocese represents a diverse economic reality, including three major metropolitan areas as well as rural communities. As we examine the Church's role in creating economic justice for all people, we lead by modeling just wages for those employed by the Church. Wages that take into consideration the higher cost of living in this region are working toward economic justice, something that our Diocese of Olympia has supported since the implementation of the clergy salary scale in 1974. The continuing work of the Commission includes restructuring the clergy pay scale to reflect the geo-economic diversity of the diocese. See the Commission report for more information on our on-going work.

The proposed COLA raises the wage for clergy and Bishop's staff who are being paid at the minimum rate for their position. The scale increase enacted by the proposed COLA will enable faith communities in our diocese to continue to call the leaders we need in this time that requires vision and agility.

For information purposes, the Personnel Commission offers the parochial clergy salary scale (for full-time positions) adjusted for the proposed COLA. The adjusted scale was calculated by applying the proposed COLA to the mid-point of each grade; the minimum is 80% of the mid-point, the maximum is 120% of the mid-point. Hourly rates for annualized salaries are also provided. Also, grades have been flipped, with Grade E now the first line in the charts, reflecting that the largest number of our parochial clergy are paid in Grade E and Grade D.

### Proposed 2024 Parochial Clergy Salary Scale

#### **Annualized Salaries**

Diocese of Olympia				
2024 Parochial Clergy Salary Scale				
Grade	Minimum	Mid-Point	Maximum	
E	\$ 77,660	\$ 97,076	\$ 116,492	
D	\$ 85,322	\$ 106,652	\$ 127,982	
C	\$ 93,838	\$ 117,297	\$ 140,757	
B	\$ 103,241	\$ 129,051	\$ 154,862	
A	\$ 113,567	\$ 141,959	\$ 170,352	

## Hourly rates for Annualized Salaries

2024 Parochial Clergy Salary Scale - Stated as an Hourly Rate				
	Grade	Minimum	Mid-Point	Maximum
	E	\$ 37.34	\$ 46.67	\$ 56.01
	D	\$ 41.02	\$ 51.28	\$ 61.53
	C	\$ 45.11	\$ 56.39	\$ 67.67
	B	\$ 49.64	\$ 62.04	\$ 74.45
	A	\$ 54.60	\$ 68.25	\$ 81.90

### Mandatory Policies (applies to rectors and vicars):

1. If church-owned housing is provided, contact the Canon to the Ordinary for information on calculating the value of housing and utilities (for tax and pension purposes) and adjusting cash compensation.
2. Clergy must be paid at least the minimum of the applicable range.
3. Clergy with five (5) or more years of ordained service must be paid at least 90% of the mid-point of their congregation's applicable grade. [See advisory note below.]
4. Clergy with ten (10) or more years of ordained service must be paid at least 100% of the mid-point of their congregation's applicable grade. [See advisory note below.]
5. Exceptions to these policies require the approval of the Bishop.
6. All financial agreements with clergy must be rewritten or amended in their Mutual Ministry Agreement to reflect changes in compensation or provisions and a copy forwarded to the Bishop by January 31 of each year.

### Advisory Policies:

1. For additional paid clergy (associate, assistant), it is recommended that minimum compensation be established at two salary grades below that established for the parish or mission, depending upon qualifications and experience.
2. A clergy person with less than five (5) years of ordained service should receive pay increases greater than the cost-of-living adjustment so the salary reaches the 90% of mid-point by the fifth year.
3. A clergy person approaching (10) years of ordained service should receive pay increases greater than the cost-of-living adjustment so the salary reaches the 100% of mid-point by the tenth year.
4. If a congregation is moving toward a higher grade, that congregation would be wise to increase toward that new salary grade incrementally.
5. Parishes and missions are encouraged to consider clergy experience and performance when deliberating compensation increases in excess of the COLA.
6. For interim clergy of a parish or mission, it is recommended that compensation be at the grade level of the parish or mission, with consideration for any specialized interim training.
7. Parishes, missions, and affiliated ministries are encouraged to consider providing a COLA adjustment to lay staff in parity with clergy.

### **Resolution #3 - Enhance Access to the Denominational Health Plan**

*Submitted by the Personnel Commission of the Diocese of Olympia – do pass*

**Resolved**, that the 113<sup>th</sup> Convention of the Episcopal Diocese of Olympia submit the following resolution to the 81<sup>st</sup> General Convention, to be held in Louisville, Kentucky, June 2024:

*Resolved, the House of \_\_\_\_\_ concurring, That the 81<sup>st</sup> General Convention authorize the Church Pension Group to reduce the number of annual hours worked to gain self-funded eligibility and access to the Denominational Health Plan to 500 hours annually.*

**Explanation:** In 2021, the 111<sup>th</sup> Convention of the Diocese of Olympia passed Resolution #6, an action that works to address implicit bias and structural injustice. The second clause of the resolution reads: “**Resolved**, that the Personnel Commission develop Advisory Policies that ensure the availability of medical benefits to clergy working in Bishop’s Designated Mission Stations and specialized ministries;”.

The Episcopal Church’s Denominational Health Plan (DHP) was established by General Convention with Resolution A177 Establishing a Denominational Health Plan (2009) and further refined by Resolution B026 Implementation of the DHP (2012). A177 amends The Episcopal Church canons to designate Church Pension Group as the Administrator for the Plan. The DHP was established to create equal access to health benefits among clergy and lay employees church-wide. Although A177 specified the eligibility threshold at a minimum of 1,500 hours worked annually, the threshold has since been reduced to 1,000 paid hours worked annually (roughly 19 hours/week). A177 also specifies that each diocese has the ability to set cost-sharing thresholds, which must demonstrate parity between clergy and lay employees.

In the Diocese of Olympia, clergy serving in some ethnic ministry, urban, rural, or part-time ministry contexts, as well as many lay employees, may not work 1,000 paid hours/year, and/or may not have ready access to another employer-sponsored health plan (through another job or family member, for example). This resolution offers access to the DHP to some clergy and lay employees who may not currently have access to regular health coverage and care. Asking General Convention to direct the DHP Administrator to lower eligibility to participate in the DHP from 1,000 to 500 hours annually (roughly 9 hours/week) works toward inclusion and justice for all clergy, particularly those serving ethnic ministry settings and church plants, as well as many lay employees.

[Episcopal Diocese of Olympia’s Resolution #6 \(2021\)](#)

[Diocesan Personnel Commission’s Report to the 2022 Diocese of Olympia Convention Regarding Resolution #6](#)