



Financial Impact of COVID-19

Phil Potter

Council on Finance and Administration, Chair

Rev. Cary James

Board of Pensions, Chair

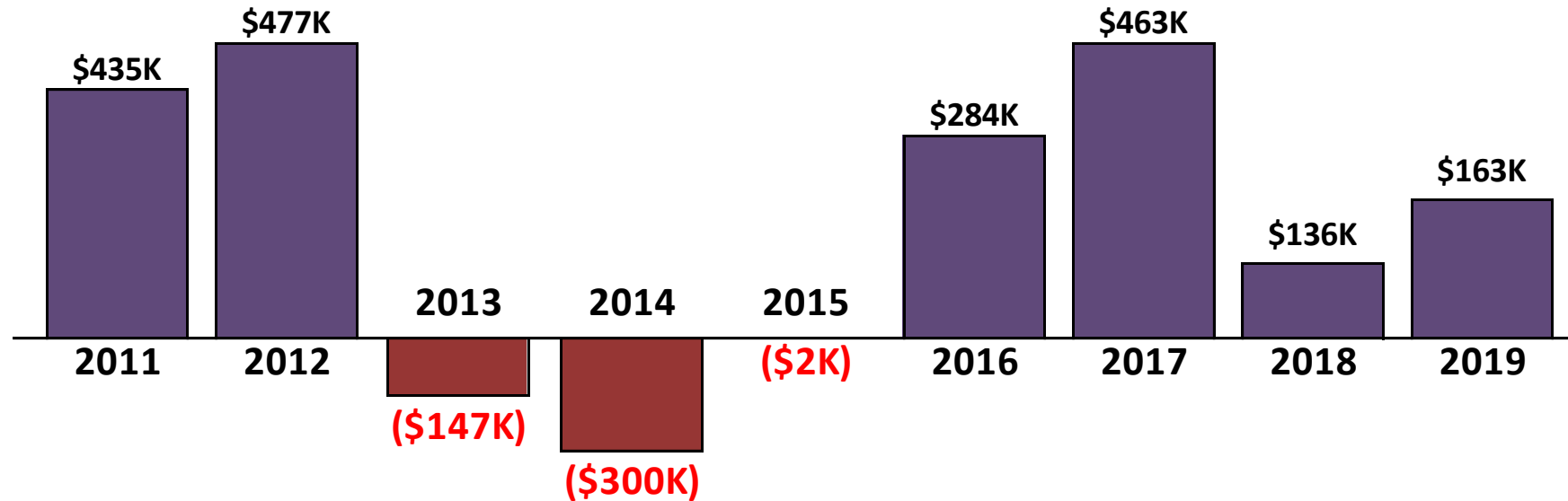
Paul Eichelberger

Conference Treasurer

April 18, 2020

We Finished 2019 with a Mixed Bag

Net Income



Components of the 2019 YE Results:

- Mission Shares **LESS** than budget **(\$ 549,000) -3.9%**
 - Other Income **LESS** than budget **(\$ 302,000)**
 - Expenses **LESS** than budget **\$ 1,014,000 -5.4%**
- TOTAL + \$ 163,000 +0.9%**

Where Are We in March 2020?

- March Mission Shares were 21% less than budget
- Mission Share Giving YTD Data:

January	14% LESS than budget	
February	7% LESS than budget	
March	12% LESS than budget	\$390,000 shortfall
- Year End Forecasts:

Based on last year alone:	\$1,300,000 shortfall
Based on last 3 years:	\$1,800,000 shortfall
Worst Case Scenario:	\$2,500,000 shortfall

CFA Actions to Address the Shortfalls

- Year End Forecasts:

Based on last year alone: **\$1,300,000 shortfall**

Based on last 3 years: **\$1,800,000 shortfall**

Worst Case Scenario: **\$2,500,000 shortfall**

- Action #1: Reduced 2020 Budget by \$1.1M

- Action #2: Applied for Paycheck Protection Program for \$1.2M

- Additional Actions Could Include:

- CFA Reserves = \$2,100,000

- 15% and 25% Contingency Plans = \$1,600,000

- General Church Apportionments = \$3,400,000

BWC Mission Shares

- We ended 2019 with a 3.9% shortfall in mission shares.
- Through March 2020 we have a 12% shortfall in mission shares.
- The CFA realizes that churches are working through difficult times and the Conference Stewardship Teams are doing their best to help support you.
- To maintain that support during this period, we are asking churches to do their best to continue making their mission share payments and that you keep your DS informed of your status.
- The CFA commits to each church that we will monitor Conference finances closely and make necessary adjustments in ways that maintain the BWC ministries and programs that most benefit our local churches.

Board of Pension Actions

- Approved 3-Month Waiver of Church Paid Benefits:
April, May, and June
\$2,600,000 waived
22% of Clergy Average Total Compensation for 3 months
- Small Church Grants
252 churches without benefit payments
22% of Clergy Average Total Compensation for 3 months
\$321,000 Total Payments

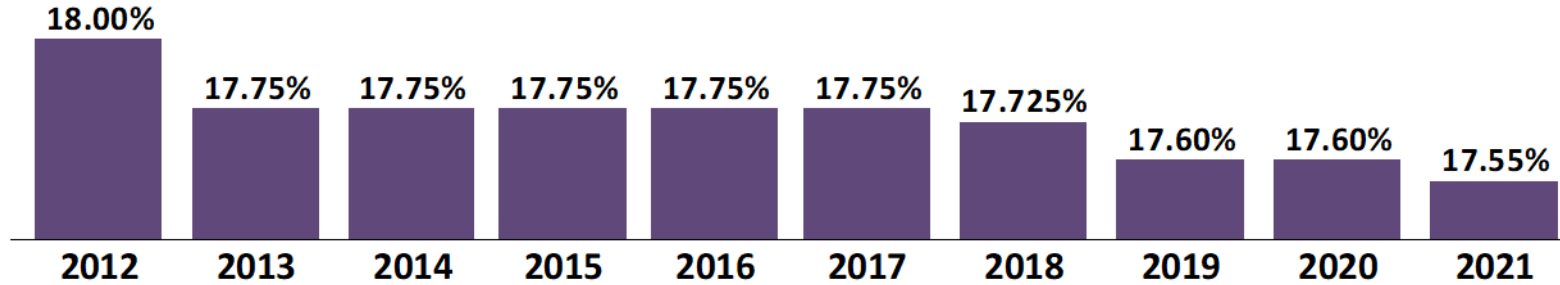
Board of Pension: 2021 Proposals

- CRSP-DB Pension Rates will be Reduced from 12% to 11%:
Church payments for full-time clergy will be reduced by \$600-1000/yr.
- HealthFlex Rates Need to Follow Cost Trends
Church Payments: Increase from \$860/mo. to \$890/mo.

Participant Payments: Medical and Dental – No Change
Vision - \$3-5/mo. Increase

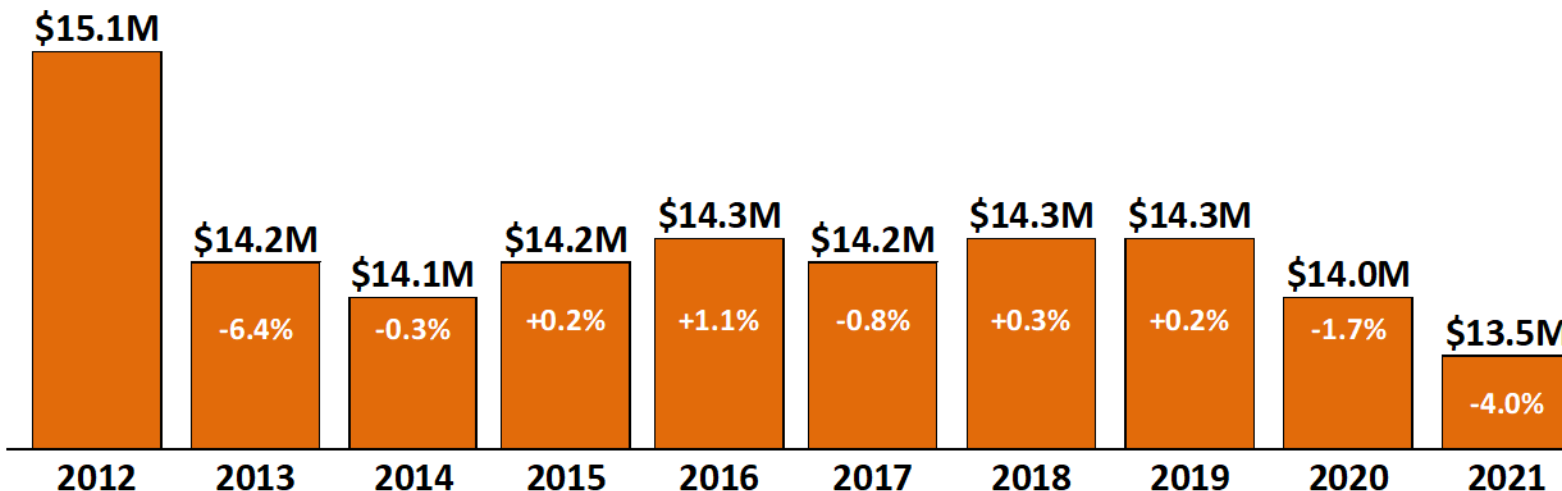
CFA: 2021 Budget Proposal

Benevolence Factor



- The Benevolence Factor will once again be lowered to 17.55%.

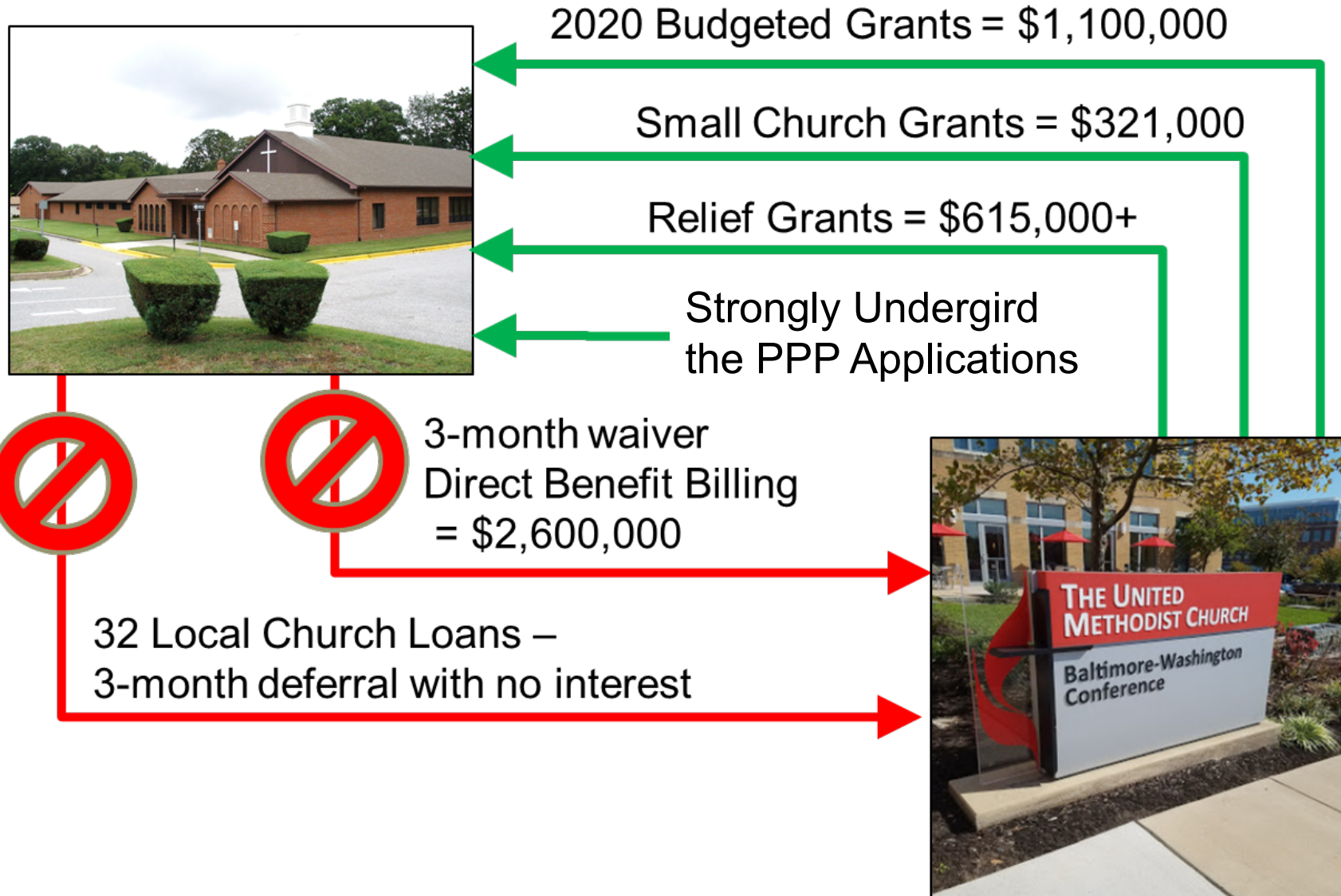
Mission Share Income



- The result is a 4.0% reduction in the Mission Shares Income to \$13.5M.

- Actual Mission Share income in 2019 was \$13.7M.

Summary: Local Church Relief Initiatives



Conference Stewardship Roadmap

March Actions (completed)

(Focus on immediate relief)

3-Month Initiatives (April – June)

Benefit Waivers (\$2.6M)

Small Church Grants (\$0.3M)

Trustee Loan Deferrals

Supplemental Initiatives

Relief Grants - \$615K

On-line Giving Focus

Trustee Loans/Grants (Brick & Mortar)

Immediate Budget Reductions

\$1.1M or 8% reduction made 3/25

April Actions (very high activity level)

(Focus on payroll continuity)

Pursue Alternate Funding Streams

Government Grants

Mid Atl Foundation Line of Credit

Government Loans and Local Banks

Conference Loans (Brick & Mortar)

May Actions (as needed)

(Focus on restructuring)

15%/25% Contingency Decisions

June Actions (as needed)

Potential renewal of 3-month initiatives (July – Sept)



Baltimore-Washington Conference
The United Methodist Church

Health Resources for COVID-19

Francess Tagoe
BWC HR/Benefits Director

COVID-19 Wespath Initiatives

Available to all:

- Emotional Health Crisis Line (1-866-342-6892).

Available to HealthFlex participants:

- EAP – virtual EAP counseling (1-866-881-6800).
- No-cost Nurseline (1-800-475-7923).
- Telemedicine – MDLIVE (1-866-750-4991).
- COVID-19 Test – covered 100% by UnitedHealthcare.
- Early prescription drug refills.

COVID-19 Wespith Initiatives

- Wespith weekly e-connection
 - Update Email Address
 - Health Accounts restrictions
 - HealthFlex Incentives new deadline
- UMPIP
 - Loan repayment

For questions or more detailed information we can be reached at
Click on the link for appointment **Benefits**: Frances Tagoe/Karen Conroy

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THANK YOU