Report H.001
EXECUTIVE COMMITTEE
PRESBYTERIAN MISSION AGENCY BOARD
April 27-29, 2016

The Presbyterian Mission Agency Board Executive Committee reports the activities of the Executive Committee meeting of April 27, 2016.

April 27, 2016

FOR ACTION:

The Executive Committee recommends that the Presbyterian Mission Agency Board:

A. Approve the Staffing Rationale for 123 Presbyterian Mission Agency staff and 71 elected members or guests to attend the 222nd General Assembly (2016) in Portland, Oregon (H.102).

B. Approve the comments on the following Overtures and Reports and forward them to the 222nd General Assembly (2016) (Appendix 1):

1. **Overture 067 – "On the PC(USA) Continuing its Efforts to Dismantle Racism Within Our Denomination"**
2. **Recommendation 2 of "A Resolution to Expand Family Leave Policies" (ACWC)**
3. **"Recommended Benchmarks for OGA and PMA" (GACOR)**
4. **"A Resolution to Ensure Just Compensation Practices for Those Employed via Third Party Contractors" (ACWC)**
5. **Overture 078 – "On Achieving a 5:1 Ratio Between the Highest Paid and Lowest Paid Employees of PMA"**
6. **Overture 018 – "On Merging the Presbyterian Mission Agency and the Office of the General Assembly into a Single Entity"**

C. In light of the Board of Pension Benefits Plan redesign, approve the following benefits framework for Presbyterian Mission Agency employees (H.109):

1) **All eligible employees participate in the Pension (11%) and Death and Disability (1%) plan.**
2) **All eligible employees will be given the opportunity for NO cost coverage for member-only Medical coverage level.**
3) **For any other Medical plan coverage level, eligible employees will pay a percentage of the unsubsidized rate for the option of their choice based on their salary level.**
   - **If salary is less than $44,000, then 2%**
   - **If salary is between $44,000 and $88,000, then 5%**
   - **If salary is greater than $88,000, then 10%**

And authorize the Presbyterian Mission Agency Board Executive Committee to make any further decisions that may be necessary to implement this framework prior to the September 2016 meeting of the Presbyterian Mission Agency Board.

D. Replace the current Lay Equalization Program with a 403(b) benefit program for eligible employees who are not "ministers performing services in the exercise of ministry." (H.109)

E. Appoint Jo Stewart, Chad Herring, Glen Snider and Marci Glass to a task force to represent the Presbyterian Mission Agency Board in conversations with the Ghost Ranch Governing Board regarding the development of future ministry opportunities at Ghost Ranch Conference Center.

FOR INFORMATION

The Presbyterian Mission Agency Board Executive Committee reports information items from its meeting of April 27, 2016. *(Please note – Appendices to Minutes are not attached. They are kept with the Office Record and are available upon request.)*

The Executive Committee:

A. Voted to approve the minutes of the following Executive Committee meetings **(H.101)**:

- February 3, 2016
- April 6, 2016
- April 13, 2016

B. Convened in closed session as the Executive Committee of the Board of the Presbyterian Mission Agency and Presbyterian Church (U.S.A.), A Corporation to discuss personnel, litigation and property matters. No actions were taken in closed session.

C. Approved the revised Presbyterian Mission Agency Board meeting agenda.

PRESBYTERIAN MISSION AGENCY
Comments to the 222nd General Assembly (2016)

A. Overture 067 (Item 11-12) "On the PC(USA) Continuing its Efforts to Dismantle Racism Within Our Denomination"

Comment:
This overture seeks the development of explicit procedures for renewed implementation of every strategy detailed under "Points of Engagement" in the 1999 General Assembly statement "Facing Racism: A Vision of the Beloved Community."

The General Assembly should be aware that the 2014 General Assembly directed the Presbyterian Mission Agency "…to update and revise churchwide antiracism policies and develop implementing procedures…" The response of the Presbyterian Mission Agency to this referral was to update the 1999 policy addressed in this overture. This response is before this Assembly as Item XX-XX.

B. Recommendation 2 of Item 05-10 – "A Resolution to Expand Family Leave Policies," from the Advocacy Committee for Women's.

Direct the six agencies of the General Assembly (Board of Pensions, Foundation, Office of the General Assembly, Presbyterian Investment and Loan Program, Inc., Presbyterian Mission Agency, and Presbyterian Publishing Corporation) to improve their family leave policies by the 223rd General Assembly (2018) to include at a minimum six weeks paid leave and an additional six weeks unpaid leave during a twelve-month period for eligible (individuals employed full-time for twelve months before taking the leave) new mothers and fathers for the birth or adoption of, or to care for a child or other family member, such as seniors or those who require health assistance.

Comment:
The recommendation from the Advocacy Committee for Women's Concerns seeks, at a minimum, thirty days (6 weeks) of paid time off for employees with specific qualifying family leave events: parental (for the care of new child) and non-parental (for the care of other family members). These benefits would be in addition to the existing benefits offered by the Presbyterian Mission Agency.

The Presbyterian Mission Agency offers its employees a generous benefits package, including several forms of leave. The benefits program of the Presbyterian Mission Agency is comparable to that offered by other Christian and non-profit organizations. The program is less attractive than what is often provided to employees of successful for-profit organizations, since many of these organizations use their revenues to provide incentive programs for prospective employees.

Types of Leave (annual average days)	Presbyterian Mission Agency	Christian organizations*	Non-profit sector **
Vacation Leave	22	22	15-24

Sick Leave (unused accumulate)	10	12	12 (Note: 1/3 offer no designated sick days, but may have leave pools)
Emergency Leave	3	No data	No data
Short-term disability	Yes (60% pay)	No data	Yes (generally at 60%-67% pay) (Note: 25% offer no short-term disability)
Family Leave	Complies with Family Medical Leave Act – 12 weeks, unpaid, unless employee has other leave available or qualifies for short-term disability (parental leaves qualify for short-term disability pay, non-parental leaves do not qualify)	No data	No data

The proposal from the Advocacy Committee for Women's Concerns would provide an additional 6 weeks of pay for either form of parental leave, so that the employee would not need to use other benefit time to receive pay during this period. The ACWC proposal provides no compensation during the second six weeks of the twelve week leave.

During 2015, the Mission Agency had 14 instances of family leave, covering 420 days. If the ACWC proposal had been in effect, there would have been a cost of $129,078. The Mission Agency estimates that perhaps twice as many employees would make use of this additional leave, if the ACWC proposal were to be approved. Therefore, our estimate is that adoption of the proposal would cost roughly $260,000 a year.

Beyond financial considerations are the impact on working conditions, morale and lost productivity for other employees, which would be made more difficult by providing an additional six weeks of paid leave in these instances.

The Presbyterian Mission Agency Board believes its leave policies and supervisory practices are both reasonable and compassionate. If the General Assembly believes that the leave benefits of the Mission Agency are not adequate, it would be helpful to direct the Presbyterian Mission Agency Board to conduct a study of the cost/benefit analysis for enlarging the its benefits policies as part of its next annual review of employee leave benefits, and to bring a report to the 223rd General Assembly (2018).

* Christian Leadership Alliance - an alliance of more than 6,000 mission-focused Christians who lead in today's high-impact Christian nonprofit ministries, churches, educational institutions, and businesses. (http://www.christianleadershipalliance.org)

** PRM Consulting Group study of non-profit organizations

C. Item 03-10 – "Recommended Benchmarks for OGA and PMA," from the General Assembly Committee on Representation (GACOR).

Comment:
In 2012, the General Assembly gave the General Assembly Committee on Representation (GACOR) the responsibility for reviewing affirmative action goals (with respect to employment and purchasing) for its agencies. The General Assembly was clear that this review and ultimate recommendation to the General Assembly for approval would be done in consultation with the agencies, and based on data from the labor market for the agencies:

> **The 220th General Assembly (2012) directs GACOR to review and recommend revision to the affirmative action goals for employment and purchasing (Supplier Diversity Program) to the General Assembly on a regular and recurring basis, in accordance with their responsibilities in the Churchwide Affirmative Action Plan (AAP) and the *Book of Order*, G-3.0103.**
>
> **a. The GACOR shall take into consideration federal Department of Labor statistics on race, ethnicity, and gender in the labor market; race, ethnicity, and gender representation in church membership; and other factors, as appropriate.**
>
> **b. The GACOR, in consultation with the six General Assembly-related agencies (Board of Pensions, General Assembly Mission Council, Office of the General Assembly, Presbyterian Foundation, Presbyterian Investment and Loan Program, Inc., and Presbyterian Publishing Corporation) and the General Assembly advocacy committees, ACREC and ACWC, shall recommend new churchwide goals to the General Assembly in a six-year cycle, beginning in 2014.**
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> **c. The agencies of the General Assembly, including the Board of Pensions (BOP), General Assembly Mission Council (GAMC), Office of General Assembly (OGA), Presbyterian Foundation (Foundation), Presbyterian Investment and Loan Program, Inc. (PILP), and Presbyterian Publishing Corporation (PPC) shall be held accountable for implementing both affirmative action employment and supplier diversity purchasing goals… (Minutes of the 220th General Assembly (2012), page 34.)**

Since the agencies are to be held accountable for implementing both goals, it is very important that the goals be developed in consultation with the agencies involved and that the revised goals be attainable.

There has been no consultation with the Presbyterian Mission Agency regarding either the labor market data or these specific goal recommendations. The Mission Agency only became aware of the recommended goals once they were posted to pc-biz, despite multiple efforts by the Mission Agency to be in dialogue with GACOR regarding this work.

The Mission Agency requests that the Assembly refer this recommendation to the 2018 General Assembly, so that the General Assembly Committee on Representation can be in dialogue with the Presbyterian Mission Agency regarding the feasibility for success in implementing a new goal that raises the expectation beyond the composition of the local job market, prior to General Assembly consideration.

D. Item 10-12 – "A Resolution to Ensure Just Compensation Practices for Those Employed via Third Party Contractors" – From the Advocacy Committee for Women's Concerns

Comment:
The Presbyterian Mission Agency has two hundred fewer staff than it did a decade ago. These staff reductions have been necessary due to reduced funding and a re-alignment of Mission Agency activities around work that can most effectively be done at the national level, and work that is most needed by congregations. Over those years, many functions are no longer staffed by regular positions within the Mission Agency, but rather through contract employees, and contracts with other organizations having special expertise. Examples of these functions include: new worshiping community coaches, travel agents, building security services, housekeeping, software application development, etc.

In each case of contract services, the Mission Agency has a process that it follows in engaging vendors to help it negotiate just working relationships with those vendors so that work by their employees is manageable, reasonably compensated, and based upon market rates. In 2013, the Mission Agency provided the Advocacy Committee for Women's Concerns and the Advisory Committee on Social Witness Policy with information concerning the companies with which it contracts for janitorial services and security services. That information is also summarized below:

1. A request for proposal is developed and submitted to a number of potential vendors.
2. Criteria for consideration include:
   a. Qualification under the Supplier Diversity policy.
   b. Sustainability (reputation, expectation that it can fulfill the contract and not fold)
   c. Price.
3. Vendors are asked to provide information regarding the compensation and benefits which they offer their employees (including employee workloads, sick time, holiday time, insurance benefits, and whether they notify their employees of the Affordable Care Act provisions.) Some vendors decline to provide that information.

Vendors are selected based on consideration of the totality of information provided in the proposal process. Health insurance benefits are one component of that evaluation, as are supplier diversity qualifications, working conditions, sick leave, holiday pay, etc. The current vendors used for janitorial services and security services provided the best match given the overall criteria and applicable Presbyterian theology and policy on work and workers.

E. Overture 078 (Item 10-13) "On Achieving a 5:1 Ratio Between the Highest Paid and Lowest Paid Employees of PMA"

Comment:
The Presbyterian Mission Agency Board has consistently expressed its conviction that artificial ratios which fail to take into account the types of work being done by each position are unwise and unduly limiting. Adopting a strict ratio between the highest and lowest salaries would result either in paying the lower end of the spectrum outside the reasonable range for the local market, or decreasing pay for the top end of the range below what is reasonable for the scope of responsibilities that is sought.

In 1987, as the reunited church set out to create uniform personnel policies that would apply to every governing body and church-related institution, a maximum ratio of salary ranges was approved: "the highest level position should be no more than four times the range of pay for the lowest level position." (Minutes of the 199th General Assembly (1987), paragraph 41.017).

In 1988 this standard was refined to also include no more than a three to one ratio within exempt pay ranges. (Minutes of the 200th General Assembly (1988), page 795.)

In 1998, the Task Force to Review the Presbyterian Church (U.S.A.) Churchwide Compensation Policy Guidelines submitted its report in which it recommended abolishing the 4:1 salary ratio in Principle 9 of the 1988 Principles of Compensation. That Assembly referred the matter back to the General Assembly Council (now the Presbyterian Mission Agency Board) and the Task Force with a recommendation to consider formula guidelines regarding salary ranges in the report of the Task Force.

A year later at the 211th General Assembly (1999), the Task Force submitted its report and recommendations and stated: "The task force concluded that formula guidelines would be too restrictive and therefore inappropriate." The Assembly approved all recommendations of the Task Force, including revised Principles of Compensation, which are still in force today. Three of these principles are particularly relevant to this discussion of compensation in the church:

> Principle Two—Mission
> The fulfillment of the church's mission calls for effective, competent staff throughout the church and appropriate compensation to attract and retain them.
>
> Principle Nine—Minimum Compensation
> Presbyteries, synods, and General Assembly entities should establish minimum terms of call or employment for representative positions in agencies or institutions related to those bodies and

review the adequacy of such minimum terms on an annual basis. Ordinarily, no employee should be compensated at a rate below applicable minimum terms. Exceptions should be reviewed on an annual basis.

Principle Eleven—Salary Relationships/Stewardship
The Church is one Body with varieties of gifts, and each person's contribution to its mission is important. The church recognizes the value of all varieties of service and seeks to temper the values and rewards of the marketplace. A reasonable relationship between the highest and the lowest salaries paid to all church employees honors the principle of shared community and call.

In maintaining a relationship between the highest and lowest salaries, lower levels of compensation should be comparable to or better than the average salaries paid in the marketplace, but not so far above the average that good stewardship of the church's funds is compromised. Salaries at the top levels should reflect a tempering of excessive compensation.
In establishing compensation plans and/or individual salaries, comparable salary data may include data from other national church organizations, including pension boards and foundations, academic institutions, the publishing field, pastors' salaries, and other sources as deemed appropriate by the elected bodies of the entities or the employing organization.

Salaries should not fall below a just salary that permit a church employee to maintain a decent standard of living.

Since that General Assembly, almost twenty years ago, the Mission Agency has followed these guidelines by offering levels of compensation that are comparable to average salaries paid in the marketplace with a generous benefits package. In 2010 the 219th General Assembly received a report from the Advisory Committee on Social Witness Policy (ACSWP), which recommended as a goal a 5:1 compensation ratio only at the Mission Agency, starting with new positions. That Assembly approved most of the ACSWP report, but rejected the 5:1 recommendation. Item 10-13 consists of the proposal that was rejected by the 219th General Assembly (2010).

While the Mission Agency has not been mandated to limit its staff compensation within certain ratios, its compensation range has nonetheless narrowed from 7.5:1 (in 2010) to 6:1 (in 2015) – a level that is very comparable to, or less than, the actual ratios between the lowest paid and highest paid employee for each of the other General Assembly agencies, even though some of the lowest paid positions in the General Assembly offices are within the Mission Agency.

For these reasons, the Mission Agency continues to maintain that artificial ratios are not appropriate tools for building a just compensation system.

F. Overture 018 (Item 04-07) "On Merging the Presbyterian Mission Agency and the Office of the General Assembly into a Single Entity." From the Presbytery of Santa Fe.

Comment:
The Presbytery of Santa Fe has overtured the 222nd General Assembly (2016) to merge the Presbyterian Mission Agency Board and the Office of the General Assembly in the manner and

following a time schedule that is set forth in the Overture. This comment does not seek to weigh in on the topic of agency consolidation, but instead focuses on one line in the overture from Santa Fe Presbytery: **"The 222nd General Assembly (2016) directs that at the conclusion of the 223rd General Assembly (2018) the Presbyterian Mission Agency and its Board, the PC(USA), A Corporation, and the Committee on the Office of the General Assembly be dissolved."**

Dissolving the Presbyterian Church (U.S.A.), A Corporation ("Church Corporation") is an unnecessary, and possibly very costly, action that should not be taken absent a compelling reason. No compelling reason to dissolve the Church Corporation has been provided in the recommendations. Neither the Office of the General Assembly nor the Presbyterian Mission Agency is a corporation. The Office of the General Assembly and the Presbyterian Mission Agency conduct all secular activities through the Church Corporation. This is in compliance with the *Book of Order* mandate at G-4.0101, which states in relevant part *"Where permitted by civil law, each presbytery, synod, and the General Assembly shall cause a corporation to be formed and maintained and shall determine a method to constitute the board of trustees by its own rule."*

If the Church Corporation were to be dissolved, a new corporation would have to be created. If the General Assembly wishes to make changes in the Office of the General Assembly or the Presbyterian Mission Agency, a more cost effective alternative would be to leave the Church Corporation intact and determine which functions of the Office of the General Assembly and the Presbyterian Mission Agency are redundant or duplicative and consolidate those functions. (This, too, is not a simple process, but it would be less intensive than dissolving the Church Corporation and starting over with each of the church's secular agreements and relationships.)

Any Church Corporation governance issues can be implemented through changes to the Church Corporation's Deliverance and Articles of Incorporation with approval from General Assembly and changes to the Church Corporation's bylaws with approval from the Presbyterian Mission Agency at the direction of the General Assembly.