

# **Per Diem Survey Report**

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### Results:

Annual Conference per diem is of high value and therefore will continue as a policy of the Conference for the foreseeable future.

## **Western North Carolina Conference The United Methodist Church**

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William C. Wyman, Jr.  
Treasurer

Dear Delegates:

The Council on Finance and Administration needs your help. We are evaluating the need for the per diem payments to delegates at the Annual Conference. It is our belief that those whom would be affected by a change in the payment of per diem should provide their input on this issue. Please complete and return the enclosed survey as soon as possible. We hope you will include any comments that you wish to share.

As you are aware, the budget for 2003 adopted by Annual Conference in June constitutes an increase of 7.2%. We are, of course, concerned about the size of this increase and a number of our churches have called and written to express their concerns as well. It is critical that we explore ways in which we can avoid similar increases. Please keep in mind that the Annual Conference budget is adopted by the delegates and is funded by the churches and members of our Annual Conference. This is your budget and should reflect the priorities established by members of the Annual Conference.

On behalf of our Council, we want to express our appreciation for the wonderful manner in which the churches across this Conference accept the apportionment and provide support to the programs, ministry and administration of the Western North Carolina Conference. We realize that local churches and members of our Conference are also faced with many of the same rapidly rising costs that are increasing our Conference budget. Obviously it is incumbent on all of us to be good stewards of the resources that God has entrusted to us. It is our pledge to continue to involve the members of the Annual Conference in the budgeting process and we appreciate any input that you can provide us on all aspects of the budget. We also covet your prayers during these times of financial challenge.

Thank you for your assistance.

Sincerely,

James C. Windham, Jr., President  
Council on Finance and Administration

JCWjr:kc

## Western North Carolina Conference The United Methodist Church

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William C. Wyman, Jr.  
Treasurer

September 25, 2002

To: Council on Finance and Administration  
District Superintendents  
Administrative Council

Re: Per Diem Survey

### **Points of Interest**

- . The Comment Section provided the most interesting information from the survey and are available on the WNCC website at <http://www.wncumc.org/CommentsMembersCategory.pdf>.
- . The smaller membership churches are providing support in addition to the Per Diem.  
Therefore, it appears that support is needed for the delegates from smaller churches since they have chosen to supplement their delegates on their own.
- . Approximately 50% return on surveys is phenomenal.
- . Churches from 0-451 membership provide significantly higher support in addition to the Per Diem.
- . Approximately 60% of delegates would be affected by the lack of a Per Diem. The clergy report greater effect on their attendance.
- . 60% of delegates would be willing to forgo the Per Diem but many say it would be something of a handicap.
- . About 25% say their church would replace the Per Diem and delegates from the larger churches were more confident of the support.
- . Responses by clergy were greater in all categories except in churches with less than 226 members.
- . Active clergy are likely to receive support from the local church.
- . All delegates are equally affected by the provision of a per Diem.
- . Active clergy were more likely to use Per Diem to pay expenses while At-Large lay delegates were more likely to donate it to a mission.
- . All delegate types were equally willing to forgo a Per Diem.
- . All delegate types were equally voiced in the expectations for support from their Local Church without a Per Diem

**Council on Finance &  
Administration  
Per Diem Survey  
Grouping by Membership Size**

<b>Grouping</b>	<b>All</b>	<b>0-135</b>	<b>135-226</b>	<b>226-340</b>	<b>340-451</b>	<b>451-901</b>	<b>901-1351</b>	<b>1351+</b>
<b>Number of Responses</b>	<b>1358</b>	<b>188</b>	<b>155</b>	<b>127</b>	<b>102</b>	<b>156</b>	<b>52</b>	<b>107</b>
<b>Total Number of Churches</b>	<b>1148</b>	<b>157</b>	<b>342</b>	<b>340</b>	<b>138</b>	<b>124</b>	<b>23</b>	<b>24</b>
1. Does your church provide financial assistance for Annual Conference delegates?								
No	45%	38%	30%	29%	40%	42%	48%	62%
Yes	55%	62%	70%	71%	60%	58%	52%	38%
If Yes, what amount?								
Average	199.57	177.86	198.81	202.49	227.08	207.53	230.95	177.92
Minimum	15.00	50.00	15.00	34.00	50.00	50.00	100.00	100.00
Maximum	725.00	660.00	700.00	535.00	500.00	500.00	500.00	500.00
% with support provided given	41%	51%	60%	58%	51%	51%	40%	22%
2. What effect does the per diem have on your ability to attend Annual Conference?								
Much	23%	35%	29%	24%	17%	16%	10%	12%
None	41%	25%	35%	40%	44%	52%	51%	57%
Some	36%	40%	36%	36%	39%	32%	39%	31%
Answer "much" breakdown by type								
Active Clergy	40%	29%	47%	52%	88%	42%	60%	46%
At-Large Clergy	14%	12%	22%	0%	6%	25%	0%	31%
Church Lay	33%	50%	29%	45%	6%	30%	40%	8%
Retiree	13%	9%	2%	3%	0%	3%	0%	15%
3. What did you do with your per diem?								
Donate it	10%	7%	5%	10%	22%	10%	8%	15%
Paid Expenses	88%	92%	93%	90%	78%	89%	90%	84%
Refused it	2%	1%	2%	0%	0%	1%	2%	1%
4. Would you be willing to forego a Conference provided per diem?								
No	40%	56%	45%	39%	42%	37%	38%	20%
Yes	60%	44%	55%	61%	58%	63%	62%	80%
5. How would your church respond without a Conference per diem?								
Full Support	25%	14%	26%	31%	33%	21%	49%	36%
No Support	28%	35%	3%	24%	16%	19%	19%	22%

Partial Support	47%	51%	71%	45%	51%	60%	32%	42%
Category of Respondents								
Active Clergy	37%	29%	41%	46%	44%	46%	49%	37%
At-Large Lay	16%	13%	12%	16%	16%	20%	20%	26%
Church Lay	31%	46%	42%	34%	34%	26%	31%	25%
Retiree	16%	12%	5%	4%	6%	8%	0%	12%

**Paid Support by Category**

	<b>All</b>	<b>Active Clergy</b>	<b>At Large Lay</b>	<b>Church Lay</b>	<b>Retiree</b>
Average	199.97	215.91	179.31	192.65	156.03
Maximum	725.00	725.00	500.00	600.00	500.00
Minimum	15.00	15.00	50.00	50.00	75.00
% with support provided given	41%	44%	13%	38%	5%
1. Does your church provide financial assistance for Annual Conference delegates?					
Number of Responses		493	206	410	216
No		37%	49%	40%	77%
Yes		63%	51%	60%	23%
2. What effect does the per diem have on your ability to attend Annual Conference?					
Much		24%	20%	24%	21%
None		42%	44%	40%	39%
Some		34%	36%	36%	40%
3. What did you do with your per diem?					
Donate it		7%	15%	12%	7%
Paid expenses		92%	83%	86%	87%
Refused it		1%	2%	2%	6%
4. Would you be willing to forego a Conference provided per diem?					
No		40%	36%	44%	39%
Yes		60%	64%	56%	61%
5. How would your church respond without a Conference per diem?					
Full Support		27%	26%	25%	15%
No Support		20%	28%	25%	63%
Partial Support		53%	46%	50%	24%
Average Ch Membership of those respondents.		565	730	469	816
Average Ch Membership of ALL respondents		578			

**Summary and Analysis of Written Comments  
Submitted on the Per Diem Survey  
Conducted by the  
Council on Finance and Administration  
Western North Carolina Conference of the United Methodist Church**

Prepared by  
Dr. Lew G. Brown  
January 5, 2003

**Introduction**

Prior to the 2002 Annual Conference, the Council on Finance and Administration (CFA) voted not to fund the per diem allowance for delegates attending the Annual Conference (AC). The Conference subsequently voted to reinstate the per diem and asked the CFA to study the matter. The CFA distributed a survey in August 2002, receiving 1,358 responses. A separate report presents a summary of the quantitative responses to the survey's five questions analyzed both on the size of the respondent's congregation and on the respondent's role.

In addition to the responses to the five questions, the survey asked for open-ended comments. The respondents' comments resulted in 60 typed pages. In December 2002, the CFA contracted with me to read, summarize, and analyze these open-ended comments. The purpose of this report is to convey the results of my work. This report presents a number of issues I have identified that the comments raise. Under each issue, I have selected some illustrative comments taken directly from the report. Whenever I use a comment, I have referenced that comment by placing the page number where that comment appears and a number reflecting the number of that comment, counting down from the top of the particular page. [The typed pages submitted to me were not numbered. I have simply numbered them from one to 60 in the order they are presented in the Word file.] For example, a comment followed by (15,7) would indicate that the comment was on page 15, the 7<sup>th</sup> comment from the top. I did not have the original surveys, so I could not look at the source comments. In some places, it appeared that there may have been some errors in transcription. I have left these as they were given to me, but in some cases I have inserted possible corrections or other comments in brackets.

For those who may read this report who were not involved in retaining me, let me say that the CFA asked me to conduct this analysis as an outside, uninterested, third party. I am an Associate Professor of Marketing at the University of North Carolina at

Greensboro. More relevant to this assignment, I have previously served as an Elder at two Presbyterian Churches and also as a Deacon at one of these churches. I have served as chair of one church's stewardship and budget committee. Although I am not a member of any United Methodist church, I am familiar with how churches operate and with the strains created by the financial demands of competing interests.

In several places in this report, I have inserted my own opinions and recommendations, much as a consultant would do, in full knowledge that those opinions and recommendations may be "off base" as I may not be aware of many factors influencing the issue. However, I believe that the WNCUMC might be interested in my thoughts as an outside observer. I offer my comments in a genuine spirit of care and concern and in the interest of open and honest discussion in a faith-based community.

### **Facts**

Before we get into the analysis, it may be helpful to state some facts.

The per diem is designed to help offset expenses for attending the three-day AC at Lake Junaluska. Thus, at \$34 per day, the total per diem is \$102. The daily rate has not changed since 1985. Delegates receive the per diem in the form of a check when they register at the AC. The Conference does not require any receipts or other direct evidence of expense. According to the quantitative survey, 88 percent of the delegates used it to pay expenses. Ten percent donated the money, and two percent refused it.

I understand that the total number of AC delegates ranges between 2,500 and 3,000. Thus, the total cost of the per diem system would be between \$255,000 and \$306,000 per year. The Conference pays the per diem cost from its apportionment funds, which come from the "apportionments" each member church pays to the Conference. According to the quantitative survey, 55 percent of the respondents' churches also provide direct financial assistance to AC delegates, while 45 percent of the respondents' churches do not. [Note that we could have had more than one respondent per church.] If a church did provide assistance, the average amount was just under \$200. Interestingly, higher percentages of respondents from smaller churches [those with membership below 340] indicated that they received financial assistance, while higher percentages of those from larger churches [above 340 members] indicated they did not receive financial assistance.

The Conference's Web site indicates that there are 1,147 churches in the Conference with about 290,000 members. We can see that the per diem "costs" about one dollar per member per year. If we use a mid-point of \$280,000 as an estimate of the

annual cost of the per diem, this cost represents about 1.39 percent of the Conference's \$20.1 million 2003 Grand Total Apportioned Funds budget.

I understand that the WNCCUMC is the only one of 66 conferences that provides a per diem in the manner outlined above.

### **Issue 1: Should there be a per diem?**

There appear to be a number of arguments against a per diem. First, the CFA in its earlier decision to stop the per diem probably believed that in the face of increasing demands for the Conference's resources there were other higher-priority items. Second, there were a number of references to the 7.2 percent increase in the Conference's budget in a period of economic hardship for many communities. Even though the per diem represents only a little over one percent of the Conference's budget, it still takes \$260,000 to \$306,000 to finance it. Some saw eliminating the per diem as a way to reduce the Conference budget, assuming that the CFA would not use the money for some other purpose.

One can argue that the individual churches should be responsible for supporting their delegates to the Conference, especially the ministers who, it appears, are "expected" to attend. Thus, the argument is that the per diem should be a church, not a conference obligation.

The answers to the survey's quantitative questions indicated, as noted above, that 45 percent of the churches do not provide financial assistance to AC delegates. Further, 59 percent of the respondents indicated that the per diem has "some" or "much" effect on their ability to attend the AC. Yet, 60 percent of respondents indicated that they would be willing to forgo a Conference provided per diem. Without the per diem, 25 percent of respondents indicated their church would provide full support and 47 percent indicated their church would provide partial support. However, 28 percent indicated their church would provide no support. The "no support" group was 35 percent of the respondents in the "below 135 members" group and 24 percent of the respondents in the 226-340 members group.

This raises the issue of representation. Would stopping the per diem result in smaller, "poorer" churches either not being able to send representatives or not having members who could afford to take the time off work or to pay their expenses to attend? Would this result in the Conference delegates primarily coming from larger, more well-to-do churches? Would these delegates' viewpoints be different than those from the smaller churches?

A number of respondents spoke to this issue:

I am a Conference at-large delegate. I have no idea if the church would help if the per diem were cut. I have never asked. I do know that my local church works hard to meet current budget obligations. Foregoing the Conference per diem would feel like robbing Peter to pay Paul- what would happen to the retired clergy, district and conference at-large delegates? This would be passing along an expense to local churches and I fear many could not/would not be able to pick up this expense. I also fear it would make our church "Legislative" body look like congress-made up only of people who have personal wealth and resources. (2,13)

I feel very strongly that we should [not?] take away the per diem for lay delegates and local pastors of smaller, poorer congregations. Many laity take their vacation time in order to come to conference and it is only right that we compensate them for this. I don't want us to become an annual conference that only represents the upper/middle class in our delegations. While I can do without the per diem I am unwilling to accept taking it from fellow clergy serving small congregations that have trouble paying even minimum salary. I urge the CFA to keep the laity per diem and to make provisions for small membership churches. (6,2)

Without the help of the per diem, I fear that many of our clergy in lower salaried appointments will be at a financial hardship to attend AC. I also fear that the average age of our lay delegation will continue to climb, and that fewer of our churches will be represented at AC, with the net result being that of a lay delegation disproportionately representing the larger or more affluent congregations and being of a higher average age. (9,13)

It is very difficult to get someone to go. People have to miss work or use vacation time or we have to send a retired person. Any reduction in expense money will create a hardship and some smaller churches may not be able to send anyone. (11,14)

No per diem would greatly affect the ability of youth coming to AC, which is very important! (12,10)

The church covered all actual expenses including Travel for one delegate plus the pastor. I have come for the past two years as a District delegate with no assistance except the per diem which covered approx. One third of my actual cost. I could not have come as a district delegate without the per diem. My church currently pays for only one delegate (lay leader of designee) plus the pastor. Unless the local churches agree to pay for their own plus at-large delegates. I feel that diversity of delegates will be greatly compromised. Conference should not pay per diem but rather local churches and/or Districts should pay the full cost. Most delegates are active generous supporters of their local churches giving of their prayers, presence, gifts and service. Those with children in college, retirees, and others need some assistance but not from the conference. (18,7)

It is difficult for lower income working delegate to miss work, pay for rooms, meals and travel. The working poor needs a voice in the conference too! Look at the makeup of the WNC now. All reps are upper class retired people. (20,9)

A considerable [number] of clergy delegates represent small attendance churches and are 1/4 -1/2 time pastors. Costs at and around Lake Junaluska are rather high and are increasing.

The smaller churches already feel as if they are being pushed aside by the larger, more affluent congregations; stopping the per diem would only solidify these feelings. (30,6)

Because we are a small rural country church, our budget is limited and often delegate (lay) is retired and on a fixed income. The per diem helps to offset our assistance. We assume the cost of the Conference per diem is spread out proportionately throughout conference apportionments in a connectional, supportive fashion. We would still support a delegate absent of the per diem that may require a fundraiser for the per diem rather than other ministry needs. (30,7)

This is unfair to the lay members-clergy will be attending as a part of their jobs-lay already in the minority for votes will be completely out numbered- what way will the lay ever be a part of the conference? (31,7)

Because I do not have the benefit of paid vacation days, I must sacrifice 2 days pay plus pay expensed for housing, travel and meals. Even with the church provided support, it would be almost impossible for me to make the trip. I feel that without per diem, many of those who are able to come now, would not be able to continue, thus silencing a particular part of the membership, leaving those who are retired or more well off to makeup the voting delegates. (44,9)

I am also Church Lay Del. I strongly advocate that you keep the per diem allowance. I have served 7 local churches all with 100 members or less. I have never received any compensation as a pastor on minimum salary to go to conference and the per diem helps greatly in my finances. It also helps me open the door to delegates who may also not have the funds to go. Let me remind you that we ARE paying the per diem through our apportionments. In the Book of Acts 4:32 The church was set up to share resources with those who have none. If you take the per diem allowance away, you not only disable our smaller churches many in economically challenged areas from participating in the ministry of our AC; but you will send a message that small churches are on our own. Where is the Christian unity in that? (46,15)

As a District Superintendent, I have no problem foregoing the Per Diem and can appreciate the savings. However, many of the lay delegates and pastors could not. Most churches assist both pastor and delegate but it is not enough. The Per Diem does help. We also don't want to open a door where only persons of means or financial resources attend AC and make decisions for everyone else. (48,10)

I come from a small 2 point charge- the charge was giving each delegate \$75 delegate. Even with \$100.00 check I now receive plus the per diem check. I still pay in up from my pocket. Why not ask the large churches, if their pastors are willing to give up the per diem check! It is rough on us small churches and pastors. When I attend annual conference I stay in the cheapest hotel I can find-around 45/night and I do not eat out many meals either. I am struggling financially. Don't make it harder. (49,5)

I am in Extension Ministry. This is my 3rd appointment. The previous 2 at local churches. I have not been able to afford to go to AC. The per diem barely covers anything. My appts. Had limited funds, thus my mother has given me money for almost 15 years to attend AC. It is ridiculous to be required to attend (we are not even given \$ for Wed. night) and then given too little to cover the costs, with most of us serving appts. that cannot afford to give extra money.

Large church ministers would be fine but the rest of us would not. If anything, it should be increased to cover reasonable costs. (45,12)

During the years of pastoral ministry before my retirement in 1986, the per diem at AC was a big help to me when I was in the pastorate and it enabled some lay delegated to serve as AC delegates whom I fell sure would otherwise not have served as delegates for financial reasons. (52,16)

Many delegates to AC have to take Thurs., & Fri, off formwork and do not get paid for taking those days off. In addition they have to pay out of their pocket the cost of their lodging, food, and gas to attend AC. There are many small churches that do not provide financial to attend AC. To cut out the per diem would put an extra hardship on the above delegates. (54,14)

As an outsider, reading the above comments and many more like them makes me come down clearly on the side of retaining the per diem. Regardless of the fact that no other Conference provides a per diem, there is a history and a culture of having the per diem in this Conference. The per diem, at the margin at least, seems to contribute to having a more diverse, more representative group of delegates.

This is why the per diem should be partially a Conference obligation rather than totally an obligation of the local churches. It is of benefit to the Conference as a whole to have a representative group of delegates attend and participate in the AC. To the extent that the per diem enables people to be delegates who might not otherwise be able to do so, the per diem serves a worthwhile purpose. The survey indicated that 45 percent of respondents' churches provided no support and 28 percent indicated that their church would provide no support if the per diem were eliminated. It is precisely those churches and those delegates whom the Conference wants to be represented.

Those churches that are already paying some or all of the cost for delegates to attend AC are getting benefits from their involvement. It is appropriate for the local church to pay for the benefits it gets from having delegates at the AC and from retaining the connectedness to the broader church. It is appropriate for the Conference to pay for the benefit it gets from having a representative, inclusive group of delegates. Thus, it is appropriate that the Conference and the local churches share the cost of attending the AC. The fact that the Conference is using apportionments paid by the local churches to pay the per diem ("the local church is paying the per diem anyway") is not the issue. The Conference could well use the money for other worthy purposes. It has chosen to pay the per diem because of the value of having an inclusive AC.

The argument that other conferences do not do this should be answered with the statement that we are glad to be able to do this-and to encourage a cross section of delegates to attend. (20,5)

My opinion is that per diem is NOT necessary but a very positive gesture in the past. It created a good feeling to know the conference cared to affirm my coming. I then had a choice. (20,2)

I have served as both local church delegate and at-large. My local church showed little interest in AC-still refers to conference as them. Congregation doesn't want to hear how decisions are made. They think someone in an office somewhere decides everything before we arrive. Very few will even consider serving as delegate. Also, I serve on a conference commission. I will continue to be active as long as possible. I am single, retired on very fixed income-what has happened to our priorities? (40,17)

I understand budget cuts but think the honorarium makes a statement to the conference that in some way they are being supported in their participation and though it is not intended to cover expenses it is an affirmation that we are seeking to support especially those whom in spite of their own finances are trying to be part of this body. It is helpful to have. I would try to seek other sources. (17,14)

## **Issue 2: Should the per diem be based on need?**

If the Conference is going to pay a per diem, should it pay it in some fashion based on need? That is, some delegates clearly can afford to pay their own way either because of support from their church or based on their personal financial resources. Should the Conference be giving these delegates a per diem?

As a college student, I have a limited amount of money and rely on the per diem check to pay my expenses. I believe the check should be optional-allowing delegates and clergy to accept on a need basis. (15,4)

I have been both the Church Lay Delegate and the At-large Lay delegate. A suggestion: limit per diem to churches with less than 50 members (170 churches according to Denny White) Pay per diem to those delegate that need it to attend on the word of the pastor in charge. (14,8)

I used my per diem last year to contribute to the Conference offerings as requested by the Bishop. This year I used my per diem to assist with my expenses at the conference. Both years I returned what my church gave me to the church. A system needs to be in place to give the per diem on an "as needed" basis. You shouldn't just eliminate it! (19,13)

I believe per diem should continue. Delegates not needing the money should be encouraged to donate it back to the church. (32,5)

Attending conference is a big sacrifice for an individual to make however; it is one that a responsible church member will do to help his/her church. If an individual needs financial support to be able to attend, then believe that support should be there. It's up to the individual to accept it, donate it or refuse it. (35,16)

I believe per diem should be retained, but each delegate check coupled with a message from conference urging its return unless absolutely needed for its original purpose. Rationale.

Maintain support for those who really need it, but put soul-searching burden on each delegate "Do I really need this more than the church?" (51,3)

As these comments suggest, some respondents believed that the per diem should be retained, but it should be based in some fashion on need. Some suggested that it become a sort of scholarship for which delegates would apply.

Provide per diem on an as-needed basis at the discretion of the district superintendent. (a decision to be made for example, at the previous years charge conference.) (5,10)

The church paid for housing only. Provide scholarships only for those from smaller churches who cannot afford to attend otherwise. (3,13)

I would like to see the conference per diem eliminated. In its place, I would suggest placing \$20,000 in the Conference Budget for "scholarships" (up to \$250 max per delegate) to assist delegates who otherwise might not be able to attend. That would allow for 80 scholarships per year if the full amount were granted to each recipient. (8,2)

\$200 per delegate (lay and clergy). I would recommend foregoing the Conference per diem but would also encourage 2 suggestions: 1. Local church should budget for their delegates 2. Have available at Conference level a "scholarship" assistance available. Delegates would have to apply. I feel this would assist in budget lowering a least a little. (8,10)

Would it be possible for CFA to budget a much smaller amount for which AC and per diem checks are available as financial aid scholarships for which laity and clergy would need to apply and demonstrate the financial need? While I know that the administration of such funds could be problematic, this would be one way we could cut expenses, yet provide financial assistance for those who need it. (9,13)

Let's go back to the earlier discussion as to why we have the per diem. It is to help offset the legitimate expenses one has in being a delegate. These include direct travel expense, food, and lodging. Every delegate has these expenses, although some have more than others depending on their locations and their personal situations. The "per diem" may have at one time (1985?) have truly been a per diem in that one could use \$34 to cover a day's direct expenses. That is clearly not the case now, as a number of respondents pointed out. The CFA may want to consider calling this something other than a per diem to eliminate the problem of it not being a per diem.

I argued above that the Conference should pay the per diem because of the benefit it receives from having a more representative group of delegates. The per diem has nothing to do with the recipient's need. It recognizes the costs of attendance – costs that are there regardless of financial need. If we say, for example, that only Active Clergy making less than \$30,000 per year should be eligible, are we saying that a single person making \$29,000 has more financial need than a minister with three children who is making \$31,000? Is a "large" church that happens to be located in a community where

the primary employer has just gone bankrupt more able to support a delegate than a “small” church that happens to be located in a wealthy resort community? If you paid the per diem based on “need,” you would also have to consider where the delegate lived in relation to the conference’s location and the actual cost each delegate would have to attend the conference. Clearly, someone with a home at Lake Junaluska will have lower direct expenses than someone who must travel from the Charlotte area.

Any attempt to make this a scholarship program or to establish some set of fixed rules to determine who gets the payment or how much they get will inevitably result in lots of forms and bureaucracy and take up a lots of the Conference staff’s time. Remember, we are talking about \$102 dollars per person.

I like the idea suggested by one of the respondents. Why not just put a statement with each per diem check that explains the purpose of the payment and why it is valuable to support attendance to the AC. Then the statement could simply say that if the recipient did not need or did not want to accept the per diem, he/she could simply return all or a portion of the amount to the Conference. The Conference would credit the amount back to the per diem fund. This avoids any bureaucratic process and any hairsplitting decisions as to who “needs” the money. It becomes an individual decision as to whether or not to take the money. Further, no one will have to admit to being “needy” by having to apply for the support. The amount returned to the fund will reduce the total cost of the program.

### **Issue 3: What should be the amount of the per diem?**

If the Conference wants to continue to call the payment a per diem, then one issue the CFA should consider is what should be the amount of the per diem. It would have been helpful in the August survey to have asked respondents to estimate the amount of their direct and indirect expenses for attending the AC. This would have given the Conference some feeling as to what the costs were. These costs vary for delegates. Some delegates indicated they live at or near Lake Junaluska and therefore have little transportation cost. Others come from far away and have direct and indirect transportation cost as well as lodging cost.

It would appear from the comments that delegates who had to travel were spending \$300 to \$400+ on direct expenses to attend the AC. If so, the present per diem might represent 25 to 33 percent of the expenses of delegates who have to travel to the AC. The CFA may want to study the costs of attendance and set a percentage of those costs that it wishes to target for reimbursement through the per diem payment.

Thus, the Conference may decide that it wanted to set the per diem payment at one-third of the cost of attendance, reflecting the argument above that the Conference benefits from having broad representation at the AC and the individual churches also benefit from remaining connected to the Conference and the larger church community. Thus, it is appropriate for the Conference and the delegate's church to share the delegate's expense. Once the Conference's share is determined, then periodic expense studies can allow the Conference to adjust the payment as costs increase or decrease.

Under this approach, I would suggest changing the name, per diem, to something that more accurately reflects the payment's purpose. One might simply call it the Annual Conference Stipend.

In a related issue, a number of respondents raised the issue of active clergy actually being required to be present on Wednesday nights.

Currently I have access to free lodging for the AC sessions. When that benefit ends, my out of pocket expenses would increase significantly. Since most laity must use vacation time to attend conference, every effort should be made to insure their costs are covered. Also, since clergy are expected to attend Wednesday evening sessions, the idea of a 3-day per diem allowance needs to be updated. For many clergy at lower salary levels, conference costs can be a burden. (22,3)

Further, some respondents raised the issue of covering all costs for active clergy to attend.

Attendance at AC is required of all clergy. Therefore, this should be considered a business expense and should be reimbursed. (29,5)

These are two issues that the CFA should address. Perhaps, given the "sharing" philosophy noted above, once the CFA sets its percentage, it should encourage local churches to have an expense reimbursement process so that the local church pays the balance of the clergy's direct expenses for attendance.

#### **Issue 4: Budget Problems.**

There were a number of comments on what was perceived to be a sizable increase in the Conference budget in a time of economic uncertainty.

I think you need to explain again "Briefly" why we have a 7+% increase in budget expenses in a deflationary economy. (1,4)

The resulting larger apportionment increase for our congregation has angered many people here. (1,20)

Our conference input is raised 8.5% the last several years with little input from the churches. You raise the budget on the backs of the congregation & now you want to cut expenses on the backs of the congregation. We pay for virtually everything for our ministers & district offices. This is about the only perk for the congregation. Seriously, we can't continue to see these budgets increase year after year. The real world can't take these. At some point you have to say no to some of these programs perhaps international or staff benefits. This cutting the per diem is a Band-Aid to the real budget mind set. (2,14)

Two comments suggested that members and the local churches might feel cut off from, if not excluded from, the budget process.

As usual, the church member has been forgotten! With the economy as it is, there is NO excuse to eliminate the per diem, while allowing apportionment to rise. There are MANY ways to cut the budget. Cut (or eliminate) support the National Council of Churches and social programs which local churches are more informed to administer. Look at ways to cut "administrative" positions (I saw many at Junaluska). Get back to "the basics" or the UMC will keep losing members. The approval of the budget at Conference is a farce! It is "cut and dried". There is no way delegates could change it. (6,13)

I hope the conference does not decide to eliminate the per diem given out to the laity. I see it as a part of a trend that seems to be gradually lessening the importance of the role of the laity. Everything we vote on at conference is about the clergy; their appointments, their benefits, insurance, retirement... All we laity seem to do is vote (really just approve) of stuff that's already been decided. Where are our options and what is our usefulness? (19,13)

In addition, there were a number of comments that raised questions about the value of the Conference's work and the role and value of the Conference leadership and staff.

Let me express our congregation's concern about the disproportionate Conference budget increase. The perception is that our conference staff (like the Washington, DC fat cats) have no clue about the economic struggles of the local church. They only know they want more & more money from the local church. Might I suggest that one place to begin tightening the belt might be the out of control salaries of our conference staff. Tying that to something like 1 1/2 times minimum salary or the DAC might make us feel that you were in the same boat as we are. I'm sure, however, that as all the conference weight & leverage are located there. This would be decided as unrealistic as they are far too important to receive less than the highest salary possible. (16,2)

Your cover letter reflects your sensitivity to the delegate's wishes and a concern, rightly so, for the increase in our budget and I understand your will-intentioned action before conference. You saw that you mis-read the people. As with government, our people feel more and more as if they have no voice in the Methodist bureaucracy and the per diem in their (one of) way to feel they receive something tangible. In light of the economic downturn and with inflation how, many of us feel the 7.2% increase was not only unnecessary, but worse, arrogant. The place to cut is in administration (perhaps counting clergy dues) and programming. When trust is restored (if it is) then would be the time to ask the delegates for a sacrifice on their part. If our membership was excluded I could understand large budget increases. That is not the case. It appears that the administration is so far to the left of our congregations that pretenses of "keeping in touch" is

gone. You must, at least, act as if you care about the local congregation. God speed. (24,12)

\_\_\_\_\_ I feel the entire process needs to be reviewed. If the people that are being asked to pay a budget cannot receive support for a weekend conference, then I feel all salaries and expenses need to be frozen until the issue is handled. Again, to me no business can afford to pay a supplement insurance for retirees. Also, I feel the people of our churches have no voice. When you have as many pastors as delegates attending conference, and the majority of the finance issues involve the pastors, of course they are going to be before it. Where is the fairness in this? I do hope you will consider the issues I've expressed as a concern to me. I know there are many at my church that have concerns on the way things are done. I do feel the people who make up our churches are getting short changed. (25,12 partial quote)

Additionally, the major source of talk away from conference is disproportionate salary base and benefits-i.e. housing, etc paid to conference staff. Conference staff is well out of touch with the local church and the question for their need (Conf. Staff) remains a subtle but profound concern. Also, the expenses for a conference delegate of Lake Junaluska seem exploitative, especially since the local church provides continuing support via conference askings. (11,1)

As an outsider, I am not surprised to read such comments. It is normal for any large, membership-based organization that has a separate leadership and staff organization to experience the tensions evident in these comments.

For the CFA and its planning process, however, these comments raise several issues. First, the CFA should review how it and the Conference communicate with the local churches and the wider membership. It is easy to forget the necessary task of communicating to the membership what the Conference is doing and why it is doing those things. This is especially true of budget decisions. Although the Conference may have publications and other communications about its programs, it may be helpful to review the entire communication process to see what improvements the Conference can make.

Second, the CFA should review the budgeting, planning, and annual conference processes to make sure that members and delegates understand the processes and feel included in them. Delegates should not believe that decisions made at the AC are “cut and dried.”

Finally, as the Conference considers its communications program, it should consider discussing not only its programs and its plans but also the value and role of the leadership group. Comments in the survey reflect a sentiment on the part of some respondents that the leadership group is not adding value. Perception is reality. It is important for members to believe that the leaders and staff are contributing value, and they can't be expected to believe that if the leadership group does not communicate that value. The members also need to see the value, the results, that come from the programs the Conference supports.

## **Issue 5: The Annual Conference.**

There were a number of issues raised about the Annual Conference.

As much as it pains me to suggest this, maybe it's time again to look again at moving AC to a place where all could stay in the same place at a discounted rate, i.e. Kouri convention center-Greensboro. As beautiful and special Lake Junaluska is it is too small and too expensive on grounds and off. (6,7)

It is very expensive to stay in the Junaluska area, especially so during the time of our conference-tourism season. Will any thought ever be given to consideration of a more reasonable (financially) location? (6,12 partial quote)

AC at Lake Junaluska has always been a family friendly event. I have six in my family. The cost for our house rental is \$600 for the week. If we want to cut out the family friendly environment and move to an all business event at the Kourly Convention Center I will be in support. We would all stay in the hotel facilities, meet in the spacious air-conditioned convention center, and finish in 2 days. (8,4 partial quote)

Per Diem should be eliminated and AC shortened to 2 days-business done by mail/email in advance-forum group work done in meeting prior to AC. Focus on worship, voting on forum group reports and petitions, and limited debate format. This meeting should be held in a place large enough to accommodate us, not Junaluska. (10,10)

Moving conference to a more reasonable location that would allow us to conduct business on a Friday-Sunday evening basis would also make the expense for Delegate (at least those of us without homes at this lake.) Much less as Hickory, Statesville or Greensboro would make it possible for most delegates to commute. (10,12 partial quote)

Per diem is just a "whipping boy" to give someone the opportunity to voice his opinion. I feel the whole conference meeting should be studied to answer questions:  
1. Does it cover too many days? 2. Should retired clergy be delegates? 3. Is the primary purpose affairs of the church making decisions or religious revival? If the conference format remains as is, I don't think you will ever get rid of per diem. (18,1)

All churches I have serve have questioned the value of AC and really believe that in this age of tech., that the rubber stamp could be placed on what is already been decided w/out the expense of paying for a huge gathering of clergy/laity delegates. (22,11)

Not on the face of it, but your survey form is based on the bookside. I would like to see the per diem and in its place remove the seat of the conference from Junaluska and return it to the larger cities on a rotating basis. You could then replace the per diem with the previous system of the delegates staying in the homes of local Methodists. Thereby not really seeing money but restoring fellowship, spirit and sense of unity and closeness between laity & clergy alike. (27,11)

Housing cost at Lake Junaluska & Maggie Valley are doubled during conference week by motels & hotels to take advantage of delegates. Most lodging runs \$75-\$100/night. So \$103 per diem covers lodging for one night only & no meals. (30,16 partial quote)

Conference was boring this year. Speakers were less than exciting. Why has conference become so business and not more spiritual-motivated? I mean we have gathered the leadership at AC and we should leave there sky high for Christ. Lets break with tradition and forgo the per diem and get on with the business of Christ not just the denomination. (36,13)

I have no opinion as to the AC's location, but these comments suggest that some members believe that the Lake Junaluska location, while beautiful and convenient for those who have a home at the lake or live nearby, is remote and expensive for many delegates. Further, the comments raise questions about the AC's length and subject matter.

These comments suggest, as one respondent noted above, that the CFA should step back and reevaluate the entire Annual Conference. I gather that the AC has been held at the same place in the same format for many years. Taking a fresh look at the AC and the assumptions that underlie it can be a worthwhile exercise even if very few changes might be made.

Finally, I would suggest that the CFA develop an Annual Conference Evaluation Form to distribute to AC delegates each year. This form should solicit feedback on that year's conference and ideas for the following year's AC. This is another way to stay in touch with the delegates and to give them an increased voice in shaping the AC.

### **Conclusion**

I hope that this analysis will assist the CFA in identifying issues it needs to address. I would be pleased to answer questions or provide follow up as needed to clarify the report. I appreciate the opportunity to be of assistance.

Respectfully Submitted,

Lew G. Brown