

Statement on Interim Operations Team/Connectional Table proposals

January 27, 2012

General Church Restructuring Proposals

There have been many discussions about the best way to organize the General Church to improve the ability of the Connection to focus on local church vitality. This is an important and worthy discussion because it signals that we are paying attention to the realities and significant changes in our society, our membership and the need to align our leadership and ministry support accordingly. The church-wide discussion and complexity of the situation makes it difficult to identify the process for clearly articulating the opportunities and designing solutions that have a good chance of achieving the ultimate goal of making disciples of Jesus Christ. As an agency that is focused on the retirement security of clergy and lay members, and therefore the systems and numbers required to support it, we agree that efficiency can increase effectiveness if designed and implemented with full understanding of related implications.

Importance of GBPHB Independence

The potential lack of consideration in at least one proposal for carefully constructed separation of fiduciary oversight and exposure to liability is an area of concern for me. If the General Board of Pension and Health Benefits (GBPHB) is merged with other entities in the Church under a common board, the opportunity for legal action impacting all Church financial assets is much greater. The temptation to lower conference contributions to the pension plans in favor of more immediate missional and programmatic priorities increases dramatically. Today, in the public sector, we see the result of mixing public priority and authority over the pension funds in the severe underfunding of many state and public pension plans.

GBPHB receives no general church funds. Its operating budget and investment manager fees (of less than one percent) are derived solely from the investments it manages. Like the pension boards for other mainline denominations (ELCA, Presbyterian Church USA, Episcopal Church, among others), the GBPHB is separately incorporated so that its governance and direction are independent, focused solely on administering and delivering the plan benefits to those it serves — plan participants and investors. Earnings from pension assets are prohibited legally from being used to support the budget or operation of any entity or purpose that is not solely focused on the benefit of participants.

I am hopeful and confident that the wisdom of our members will result in viable and long lasting solutions that enable this great Church not only to survive but to thrive.

Barbara Boigegrain

General Secretary, Board of Pensions and Health Benefits