

# Washington Association of Churches

P.O. Box 95949 Seattle, Washington 98145-2949

August 8, 2007

Dear Judicatory Leader:

At its July 18<sup>th</sup> meeting, the WAC board directed us to communicate with you regarding its decisions about the future of the ecumenical collaboration in our state and the WAC's role in this future. We are writing to you as the leader of one of eleven judicatory members of the Washington Association of Churches (WAC).

WAC's member judicatories are: African Methodist Episcopal, Church of the Brethren, Disciples of Christ NW Region, ELCA Eastern Synod, ELCA NW Synod, ELCA SW Synod, Episcopal Diocese of Olympia, Evergreen Baptist Association, Presbyterian Synod Alaska/NW, United Church of Christ Pacific NW Conference and United Methodist Pacific NW Conference.

WAC membership entails three commitments:

- Legal responsibility to oversee WAC's governance and determine its future.
- Financial contributions.
- Spiritual stewardship of a thirty-two year legacy of statewide ecumenical collaboration.

Our letter has three parts:

- The good news of WAC's transformation during the past twelve months.
- The challenge facing the future of statewide ecumenical collaboration.
- Our request that you make the following three commitments by September 29, 2007:
  1. Judicatory Leaders' Participation in an Early October Meeting with WAC Board to Consider Whether WAC Continues as a "Transitional Ecumenical Ministry" or Ceases to Exist.
  2. Financial Contributions, if a Transitional Ecumenical Ministry is Chosen.
  3. Participation in the Dialogue with Primary Stakeholders about the Future of Ecumenical Enterprise in Washington State, if a Transitional Ecumenical Ministry is Chosen.

Your timely response to this letter will allow the WAC board to make informed recommendations to WAC's member judicatories about WAC's future. **The board's desired outcome is for WAC to continue as a "transitional ecumenical ministry." This will be explained in detail below.**

## **PART I: THE GOOD NEWS OF WAC'S TRANSFORMATION**

WAC's board and interim executive director have taken to heart the concerns judicatory leaders and others have expressed about WAC's past practices and instituted transforming changes.

## **A: Financial and Administrative Practices**

### **Fiscal Management**

For the past several years WAC has been in a marginal financial position and faced several financial crises. The board and interim executive director have introduced the following sound business practices to end this pattern:

- 2007 budgeted expenses reduced 32% from actual expenses in 2006.
- Executive director's compensation reduced 41% from 2006.
- Office move reduced rent by \$3,600/month.
- Staff reduced to 1.7 FTE's.
- Realistic revenue projections adopted.
- More effective cash flow forecasting instituted.

### **Operational Administration**

Significant improvements have been introduced in these areas:

- Better documentation of policy decisions and financial relationships.
- More orderly procedures for board and executive committee decision-making.
- Office moved to a more compact and accessible location.
- Cleared out the clutter of excess furniture, outdated documents and inoperative equipment.

## **B: Board and Staff Financial Support**

The board and staff have made significant financial contributions to help maintain WAC's solvency during this period of transformation:

- \$24,855 in 2006 compared to \$84,805 in judicatory contributions.
- \$9,700 in 2007 year-to-date compared to \$59,919 in judicatory contributions.

## **C: Public Policy Advocacy: Religious Coalition for the Common Good (RCCG)**

WAC's leadership in the creation and administrative support of the RCCG for the 2007 state legislative session was a major and innovative achievement in WAC's thirty-two year role as a religious advocate for the common good. Its purpose was to magnify progressive religious voices by creating a common "brand", legislative agenda, and lobbying strategy.

RCCG's eight founding partners were: WAC, Intercommunity Peace and Justice Center (Roman Catholic Women Religious), Associated Ministries of Pierce County, Church Council of Greater Seattle, Friends (Quakers) Committee on Washington Public Policy, Earth Ministry, Jewish Federation of Greater Seattle and Lutheran Public Policy Office (LPPO).

### **The RCCG strategy was:**

- Common legislative priorities:
  - Affordable Housing
  - Healthcare

- Living Wage
- Poverty Reduction
- Environmental Stewardship
- Criminal and Restorative Justice
- Tax Fairness
- LPPO director, Rev. Paul Benz, served as the WAC/RCCG lobbyist. WAC contributed \$1,000 a month to help underwrite Rev. Benz' compensation. The WAC interim executive director and office manager provided the logistical and coordinating support.
- Letters announcing the RCCG agenda were sent to the governor, legislative leaders of both parties in the house and senate and to each of the 147 legislators.
- RCCG leaders, including three judicatory leaders, Bishops Warner and Paup and Regional Minister Hale, met with the governor, speaker of the house, senate majority leader and house minority leader.
- Joint advocacy day in Olympia with LPPO.
- Rev. Benz testified at numerous hearings on behalf of RCCG bills. WAC staff coordinated testimonies and email/phone calls by RCCG partners as the bills moved through the committees and floor debates.

**The legislative achievements in 2007 were:**

- Health care for all Washington children! "Cover All Kids" will provide health insurance for all Washington children by 2010. WAC/RCCG didn't do this alone, as we worked in coalition with a wide range of secular partners. At long last WAC's years of patient coalition building and strong advocacy for health care paid off.
- Affordable housing trust fund increased \$130 million.
- Clean Air/Clean Fuels legislation adopted to protect the environment.
- Re-entry programs for people released from prison to reduce recidivism.

**For a complete report on the legislative session see attachment A.**

We are pleased to report that Governor Gregoire, Speaker Chopp, Majority Leader Brown and Minority Leader DeBolt all said they preferred to meet with a broad coalition of religious groups instead of meeting with individual organizations.

They also committed to meet with the RCCG in the fall to get RCCG's legislative and budgetary recommendations for the 2008 session.

WAC and the RCCG have been preparing for the 2008 legislative session by:

- Expanding the coalition partners by recruiting members from Spokane and inviting the Catholic Conference and social justice/creation care commissions of member judicatories to join.
- Scheduling meetings in October and November with the governor and legislative leaders to present the 2008 legislative agenda.

**D. Deep Listenings to WAC's Members and Partners**

The board shares the concern of judicatory leaders that WAC and member judicatories have been drifting away from each other in recent years. The board believes WAC has no *raison d'être* except as an association of churches and we have been determined to understand the reasons for this drift and to seek ways to bring new life to our valued relationships. To that end, the board commissioned our interim executive director to conduct “listenings” with persons who had important perspectives on WAC’s past, present and prospective paths forward. All told there were 48 “listenings” with judicatory leaders, board members, pastors, ecumenical partners and other informed observers; in some instances there were follow-up conversations. These “listenings” were supplemented by our director’s participation in a three-day conference with directors of state-wide ecumenical ministries in order to understand national trends. Also, our director consulted with David Leslie, executive director of Ecumenical Ministries of Oregon, WAC’s counterpart, because of the similarities of ecumenical and public life between Oregon and Washington.

These “listenings” have provided valuable insights about the future of the ecumenical enterprise in Washington State. Just as important, these “listenings” have revealed much about the futures of the historic Protestant judicatories in our state. We are now keenly aware of the fragile future of the ecumenical enterprise and why this vital form of ministry is ineluctably connected to the futures of the mainline Protestant denominations.

We urge you to read this report--“The Path Forward”-- as the defining context for understanding our letter and the challenges you are facing as a judicatory leader. (The “Path Forward” is enclosed with this letter.)

As we conclude this first part of our letter, let us rejoice in the good news of WAC’s transformation:

- Major Improvements in Financial and Administrative Practices
- Significant Financial Support from Board and Staff
- Creation of the Religious Coalition for the Common Good
- Important Strategic Insights Learned by Listening to WAC’s Members and Partners

The board has heeded your concerns. We are presenting you with a transformed WAC ready for your decision about the future. We now turn to the challenges facing statewide ecumenical collaboration and the commitments required of you.

## **PART II: THE CHALLENGE FACING THE FUTURE OF STATEWIDE ECUMENICAL COLLABORATION**

We introduce this part of our letter with the obligations WAC’s judicatory members have undertaken in their roles as member communions:

- Legal responsibility to oversee WAC’s governance and determine its future.
- Financial contributions.
- Spiritual stewardship of a thirty-two year legacy of statewide ecumenical collaboration.

We ask you to consider a series of related financial facts that frame the decisions you and your judicatory colleagues are being called upon to make.

WAC revenues have been historically low during the first six months of the year. This has been exacerbated by a “wait and see” attitude on the part of some contributors as to the outcome of the “listening” process.

Hence, WAC has been unusually dependent on the timely contributions of its member judicatories. (2007 judicatory revenue was projected at \$80,000 or about 32% of total projected 2007 revenues.) The United Methodists and Episcopalians, recognizing WAC’s traditionally low cash flow in the first six months, generously advanced most of their annual contributions in the first and second quarters--\$25,550 out of \$30,000 for the United Methodists and the entire \$20,000 by the Episcopalians. The African Methodist Episcopal, Presbyterian Synod Alaska/NW, United Church of Christ and Evergreen Baptist Association members are making their monthly or quarterly contributions as planned. Year-to-date their contributions have totaled about \$11,000. The three ELCA synods combined have contributed about \$2,000. Disciples of Christ contribution has been in the form of the repayment of a loan to WAC. Church of the Brethren has made no contributions.

Contributions to date from individuals, congregations and community organizations plus fiscal sponsorship fees have totaled about \$51,000. In addition, the Sisters of Providence contributed \$10,000 to support WAC/RCCG’s preparation for the 2008 legislative session.

In May, the board, encouraged by this revenue stream and greatly improved financial controls and expense reductions, voted to launch a major campaign to solicit about \$40,000 from secular partners who in years past had made contributions of that magnitude. This cash was essential for WAC to continue operating through the fall.

At that point we learned of a decision that has created a *kairos moment* for WAC’s future ministry. The ELCA NW Synod’s annual assembly on June 2 did not vote to provide funds for WAC in 2008. (The synod’s annual contribution in recent years has been \$10,000.) This action of the 2007 assembly appeared to mean the ELCA NW Synod would not be providing financial support to the WAC in 2008 and thus would be withdrawing from WAC membership. (Financial support is one of the conditions for judicatory membership in WAC.) WAC was not consulted during the synod’s budget development and this came as a complete surprise.

When the WAC board members leading the fundraising campaign among secular partners heard of the synod assembly’s decision, they suspended the campaign. Reason: WAC board members could not with integrity ask our secular peace and justice partners for support when it appeared the largest synod of our largest denominational member had just voted to terminate its membership in WAC. It had done so without consulting the WAC board and the other ten WAC judicatory members.

In subsequent discussions we initiated with Bishop Boerger, we learned more about the synod’s budgeting process and that WAC was not the only extended ministry “zeroed out.” The Bishop reported the synod council will wait until January 2008, and then allocate the total amount designated for extended ministries among the prospective recipients, with WAC as one candidate for funding.

Board representatives wrote the Bishop and synod council explaining the adverse consequences of the assembly's decision:

*Waiting until January to decide whether the NW Synod will continue its support of WAC spreads a cloud of uncertainty about whether the NW Synod is committed to continuing its ecumenical engagement through WAC. The board cannot with integrity and full transparency ask individuals, congregations and peace and justice partners to support WAC as an association of churches when the largest of the ELCA synods has not declared its intention to maintain its membership.*

WAC board representatives and the interim executive director met with the synod council in mid-July to explain how this timing casts a shadow over WAC's future ministry. Regrettably, the synod has not responded in a manner that removes this shadow.

Thus we have come to a *kairos time* confronted by this paradox:

- Through the "listenings" many current and past leaders of WAC's member judicatories, ecumenical colleagues and peace and justice partners have expressed the desire for WAC to continue and expand its ministries. Opportunities and needs call out for WAC's leadership.
- Without firm commitments from WAC's judicatory members to follow through with their agreed-upon financial contributions through the end of 2007 and to continue similar commitments through the first three months of 2008, WAC will not have adequate funds to continue past mid-October. We are faced with this dire prospect despite our deep budget cuts, staff reductions, improved financial management and operating efficiencies and continuing financial support from most of the member judicatories, the board and staff and other faithful contributors.

The WAC board is keenly aware of its fiduciary duty to act in a prudent manner and to serve as a faithful steward of WAC's honorable legacy. The board is equally aware that the ultimate legal authority and stewardship responsibility to discern and determine WAC's future rests with the member judicatories. The board has the responsibility to recommend options for WAC's future. But the member judicatories have the legal authority and duty to decide which options to take.

### **KEY DECISION BY WAC BOARD**

**Accordingly the board determined at its July 18 meeting there are two options:**

**Operate WAC from October through March 2008 as a "transitional ecumenical ministry" in order to pursue two vital strategic objectives:**

Provide leadership and essential administrative assistance for the Religious Coalition for the Common Good for the 2008 legislative session.

Engage WAC's primary stakeholders in dialogue about the future of the ecumenical enterprise in Washington State. This includes determining WAC's future.

Close WAC by mid-October in a responsible and orderly manner.

The board's recommended option is the "transitional ecumenical ministry." This is how WAC could operate during this six month transition:

## **PROPOSED PLAN FOR WAC DURING TRANSITIONAL PERIOD**

### **Provide Leadership And Essential Administrative Assistance for the Religious Coalition for the Common Good for the 2008 Legislative Session.**

As we underscored in the "good news" part of our letter, the WAC/RCCG is vigorously working toward the 2008 legislative session. New partners are being recruited. Meetings are being scheduled with the governor, speaker of the house, senate majority leader and minority leaders. The legislative agenda is being prepared. There is excitement and momentum giving us an opportunity that should not be squandered.

WAC's proposed contribution to the RCCG would be: .5 FTE support as RCCG prepares for and carries out advocacy during the 2008 state legislative session. Prior to the 2008 session, the .5 staff will undertake the logistical and coordinating work to organize the expansion of RCCG into Spokane; recruit the social justice/creation care commissions of WAC's member judicatories and cooperating members and partners; coordinate communication among the RCCG partners to be ready for rapid responses once the session commences; and produce media releases and press conferences. During the 2008 session, the .5 staff would coordinate advocacy days in Olympia and Spokane, committee testimony and meetings with legislative leaders and the governor; produce the weekly email alerts; and organize media releases and press conferences.

WAC's support for RCCG would include maintaining the current office, computers, phone and fax, copy machine and mailings.

### **Engage WAC's Primary Stakeholders in Dialogue about the Future of the Ecumenical Enterprise in Washington State. This Includes Determining WAC's Future.**

The "Path Forward" is very clear about the future of ecumenical collaboration: The ecumenical enterprise is in a fragile condition--WAC is the canary in the ecumenical mineshaft. But this very fragility is a gift, because it calls us to a *kairos moment* in which we consider anew how to manifest our unity in Jesus Christ and how to share a common ministry.

We will not be alone in this dialogue for we are blessed with wise elders in the ecumenical community. These elders have expressed their availability and willingness to sponsor and convene conversations among the stakeholders. The elders are retired judicatory and ecumenical leaders with long experience in ecumenism locally, statewide and nationally. Some elders were engaged as far back as WAC's founding in 1975 and can provide important institutional memories.

The primary stakeholders are the WAC judicatory members and cooperating members and WAC's major ecumenical partners: Associated Ministries of Pierce County, Church Council of Greater Seattle, Church World Service, Earth Ministry, School of Theology and Ministry at Seattle University and Lutheran Public Policy. (Although Lutheran Public Policy is not strictly

speaking an ecumenical ministry, it is so embedded in ecumenical relationships that we believe it should be part of the stakeholders' discernment process.)

Also, the three Roman Catholic dioceses and the Episcopal Diocese of Spokane will be invited to participate.

WAC's proposed contribution to the dialogue would be: .5 FTE support to staff the dialogue, maintain the current office, computers, phone and fax, copy machine and mailings.

### **Operating Budget for "Transitional Ecumenical Ministry"**

The six-month budget is \$59,000. The sources and uses for this budget are contained in the attached spreadsheet, "WAC Transitional Ecumenical Ministry: Ecumenical Dialogue / RCCG Budget." The member judicatory portion is \$39,000. \$10,000 has already been contributed to support the RCCG. The remaining \$10,000 would be raised from other WAC contributors—individuals, congregations, peace and justice partners, etc.

## **PART III: THREE COMMITMENTS REQUESTED OF THE MEMBER JUDICATORIES**

### **1. Judicatory Leaders' Participation in an Early October Meeting with WAC Board to Consider Whether WAC Continues as a "Transitional Ecumenical Ministry" or Ceases to Exist.**

The two options to be considered at this joint meeting will be:

- *Operate WAC from October through March 2008 as a "transitional ecumenical ministry."*
- *Close WAC by mid-October in a responsible and orderly manner. This will include winding up its business affairs; dissolving its corporate status; and rescinding its 501 © (3) status with the IRS.*

Meeting together as a board and judicatory leaders is essential for two reasons:

First, a decision of such consequence compels us to gather together in an atmosphere of prayerful dialogue and discernment.

Second, Washington law assigns legal obligations to a nonprofit board and the corporation's members when dissolution of a nonprofit corporation is being considered. The board is required to recommend dissolution. But only the members have the legal authority to decide whether to dissolve the nonprofit corporation. Under WAC's bylaws, WAC judicatories are the members of the corporation.

**RCW 24.03.220 "Voluntary Dissolution" "Where there are members having voting rights with regard to the question, the board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of**

such dissolution be submitted to a vote at a meeting of members having such voting rights, which may be either an annual or a special meeting.”

**2. Financial Contributions, if a Transitional Ministry is Chosen:**

- Continue the 2007 contributions as scheduled through December 31.
- Maintain the same contribution schedule through March 31, 2008.

The contribution schedules for your judicatory and the others are contained in the attached spread sheet, “Judicatory Contribution Commitment.”

**3. Judicatory Leaders’ Participation in the Dialogue with Primary Stakeholders about the Future of Ecumenical Enterprise in Washington State, if a Transitional Ecumenical Ministry is Chosen.**

We are not defining the precise process for this dialogue, but believe the following or a similar approach would facilitate the depth of engagement needed to address the critical issues concerning the future of ecumenism in Washington State:

- Two-day retreat in November or December with other judicatory leaders, ecumenical elders and WAC staff.
- One-day conversation in January or February with the cooperating members, ecumenical partners, ecumenical elders and WAC staff.
- One-day meeting in March with the cooperating members, ecumenical partners, ecumenical elders and WAC staff to make a decision about the future of the ecumenical enterprise and WAC’s role.

**SEPTEMBER 29 DEADLINE FOR JUDICATORY COMMITMENTS**

Your three commitments need to be sent on judicatory letterhead and received in the WAC office by Friday, September 29. The WAC board will then consider your commitments in a joint meeting with you and your judicatory colleagues at a meeting in early October.

**CONTINUATION OF WAC AS A “TRANSITIONAL ECUMENICAL MINISTRY”**

If the judicatory commitments are adequate to continue WAC as a “transitional ecumenical ministry” through March 31, 2008, some members of the current WAC board are willing to continue in place during this interregnum.

Decisions about the continuance of WAC, its governance and board composition will be made by March 31, 2008 at the conclusion of the six month dialogue.

**CONTINGENCY PLAN TO CLOSE WAC**

Should the WAC board determine there is not sufficient support to continue as a transitional ministry and recommend closure to the judicatory members; and should the judicatory members vote to close WAC; it will be important to wind up WAC’s affairs in a responsible and orderly manner. A contingency plan is being prepared for this purpose.

Should closure be the outcome, a worship service to give thanks and grieve our loss will be held later in the fall.

### **TRANSPARENCY ABOUT THE DECISIONS FACING WAC**

There are many individuals, congregations, ecumenical partners, peace and justice colleagues and public officials who have faithfully supported WAC through its three decades of ministry. The board has an ethical obligation to inform them of the weighty choices the board and judicatory members are considering.

Accordingly, they will be informed through an email alert and will be referred to the WAC web site on which will be posted the letter to the judicatory leaders and the report, “The Path Forward.”

### **CONCLUSION**

We thank you for carefully and prayerfully entering into this *kairos moment*. As a board and interim director we have done our very best to present you with a transformed WAC that has the potential to continue and expand its ministry. Now the choices are yours to make. We pray the Spirit of wisdom will guide you.

Shalom.

Mark McDermott, Board Chair

Darel Grothaus, Interim Executive Director