



March 23, 2007

Dear Friends,

Greetings in the name of our Lord Jesus Christ.

The 2007 Annual Conference will be an exciting and important gathering for the life and witness of The Texas Annual Conference. In addition to the ordinary business, you will be hearing about our progress on "Bound for Greater Things" and electing General and Jurisdictional Conference delegates.

The format has been modified to begin on Sunday evening with the Memorial Service. Clergy and laity sessions will be held on Monday morning as usual. The first ballot will be taken in the clergy and laity sessions. The business session will begin at 1pm. We are anticipating greater use of media to convey the sights and sounds of vibrant, growing congregations changing lives and re-shaping futures for Jesus Christ.

Our 2007 Conference preacher is Bishop William H. Willimon, formerly Chaplain and faculty member at Duke University. Bishop Willimon is widely acclaimed for his excellence in preaching and worship. He will preach on Monday and Tuesday evenings. Bishop Willimon will also teach a session on Passionate Worship on Tuesday afternoon.

In addition, we will be blessed to hear preaching and teaching from several of our own conference members.

Dr. Julius S. Scott, Jr., one of our retired pastors and college president, will preach the Memorial Service on Sunday evening.

Reverend Justin Coleman, recent graduate from Duke Divinity School and returning for his first appointment, will lead a Bible study on Tuesday and Wednesday mornings.

Reverend Carol Turner, Senior Pastor at First UMC, Lufkin and former district superintendent, will preach the Service of Sending Forth.

I am honored to preach the Ordination Service on Wednesday evening.

I am deeply grateful to The Woodlands United Methodist Church of Houston for their assistance and support. The Division of Worship has been at work for months to plan and coordinate worship experiences that are meaningful and inclusive. Our United Methodist Service Center staff, particularly Rev. Rick Goodrich, Assistant to the Bishop, is going the second mile to make this session of Annual Conference an experience that is Spirit-led, excellent, fruitful and accountable.

I look forward to seeing you soon.

Grace and peace,

Bishop Janice Riggle Huie

Preliminary Reports 2007
TEXAS ANNUAL CONFERENCE

To Be Held at
The Woodlands United Methodist Church
May 27-May 31, 2007

Janice Riggle Huie, Bishop

CLERGY REGISTRATION

Sunday, May 27, 3:00-6:00 pm

Marriott Waterway Hotel

Monday, May 28, 8:00 am-6:00 pm

The Woodlands UMC

Tuesday, May 29, 8:00 am-12:00 noon

The Woodlands UMC

LAY REGISTRATION

Sunday, May 27, 3:00-6:00 pm

Marriott Waterway Hotel

Monday, May 28,

8:00 am-12:00 noon Marriott Waterway Hotel

1:00-6:00 pm The Woodlands UMC

Tuesday, May 29, 8:00 am-12:00 noon

The Woodlands UMC

Service of Remembrance and Thanksgiving

Sunday, May 27, 7:30 pm – The Woodlands UMC Sanctuary
(Reception will follow)

Meeting of Clergy

Monday, May 28, 9:00 am – The Woodlands UMC Sanctuary

Meeting of Laity

Monday, May 28, 9:00 am – Marriott Waterway Hotel

Annual Conference is designed to:

1. Proclaim the Vision and Mission of the Texas Annual Conference. We have vision for: vibrant, growing congregations changing lives and reshaping futures for Jesus Christ. We strive to: Equip congregations to make disciples of Jesus Christ for the transformation of the world to the glory of God.
2. Lift up the Key Drivers of the Texas Annual Conference: Spirit-led, Excellence, Fruitfulness and Accountability.
3. Demonstrate ways to live into the Core Values of the Texas Annual Conference: by showing Radical Hospitality, demonstrating Passionate Worship, creating Faith-forming Relationships, participating in Risk-taking Mission, providing Extravagant Generosity, realizing Connectional Ministry and actively taking part in Fervent Prayer and Diligent study of Scripture.

**PLEASE BRING THIS COPY FOR USE AT ALL
CONFERENCE SESSIONS**

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ANNUAL CONFERENCE PRELIMINARY ANNOUNCEMENTS

Please note that these are the announcements as of our publication date. The annual conference agenda will contain the complete list.



Accessibility for Handicapped Participants

The Texas Annual Conference hopes to assist persons with special needs during this Annual Conference. To request assistance, please contact the chair of our Committee on Disability Concerns, Greg Edwards, at (409) 866-1414 (work) or (409) 550-3056 (cell).



Child Care - You Must Pre-Register

Child care for infants through kindergarten will be in the Noah's Nook area on the first floor and for children in first grade through sixth grade activities will be in the Children's Ministry area (Rooms: Clubhouse 21, Studio 34 and Planet 56) on the second floor. We also have Special Needs childcare available. There are separate sets of forms for each of these age groups and a specific information sheet for a special needs child to be included with the age appropriate group form. For forms, please see our conference website: www.txcumc.org or The Woodlands UMC website: www.twumc.org or if you do not have computer access please call the conference office (713/521-9383) and ask the receptionist to mail those forms to you. **All children must be pre-registered before May 10th, 2007. PLEASE NOTE: There will be a \$50.00 late fee collected at the door for those children not pre-registered.**

Cokesbury

The Cokesbury Store will have merchandise available for sale upstairs on the second floor of TWUMC in the Children's Activity Center.

Cross Connection

is the conference page of the United Methodist Reporter. The *Cross Connection* and the *United Methodist Reporter* are sources of local, national and international religious news. For subscription information contact the Communications Department, 713/521-9383 or by e-mail: ecolvin@txcumc.org.

Ministries and Missions Fair

Many of our ministries will have displays available for you to enjoy in the Gym on the first floor of the church. Be sure to visit the displays for information about areas of ministry and mission within the United Methodist Church.

Missions Store

Mission teams from our conference have brought jewelry, clothing and special souvenirs to be sold at our Mission Store. Proceeds are returned to mission programs. The Mission Store is located on the first floor in the Otterbein Room.

Parking

The Woodlands United Methodist Church has easy access parking lots available for your use. They also have "handicap accessible" parking spaces throughout the facility. Parking is free.

Shuttle Transportation

If you don't want to drive, have the hassle of finding a parking space, or have to walk from your car to the church building, we have a shuttle bus available that will run on regular intervals between the Marriott Waterway and the church. We also will have one shuttle bus that will make a short local run to several hotels that include: The Hampton Inn & Comfort Suites (please gather at the drive-through at the Hampton Inn for pick-up from both hotels), Homewood Suites, America's Best Value, LaQuinta Inn, Drury Inn (all these hotels front I-45 between Wellman & Lake Front), Courtyard by Marriott and Residence Inn (on Lake Front), Hilton Garden Inn & Residence Inn (on Six Pines).



Café & Snacks

The Woodlands United Methodist Church will have their café: "The Columns" open during Conference serving a variety of foods for you to choose from. They are located near the Children's Ministry area and The Woodlands Bookstore. Hours will be 7:00 am to 9:00 pm.

There also will be a Snack Bar serving drinks and limited snacks located near the Gym entrance. They will be open from 9:00 am until 6:00 pm each day.

Morning Bible Study

The decision was made to try a new morning style of "worship." We will begin each day with a simple "Morning Bible Study" that will be about 45 minutes in length. We will end each day with a full Worship Service, which will begin at 7:30 pm each evening in the Sanctuary at The Woodlands UMC.

Conference Office Telephone

The United Methodist Service Center offices will be closed during Annual Conference. There will be a "UMSC Office" with staff on duty during Conference in the Lenox Parlor. The phone number will be 281-466-8662.

Workshop Session

On Tuesday afternoon a workshop session will be offered from 3:45-5:00 pm. These various workshops are designed to help all of our churches become healthier so we can fulfill our mission to make disciples and to transform the world.

The following is the list of workshops with descriptions that will be offered. Registration for the workshops will be required because of size limitation. You can sign-up for a workshop on-line through our Conference website at www.txcumc.org beginning May 1st, 2007. An abbreviated chart with Course #, Course Name, time offered and room number follows this list.

1. **Disciple Bible Studies**-This workshop is designed to encourage involvement in all of the various studies in the Disciple Bible series. DBS has the unique perspective of being written by Methodists with the goal of improving discipleship, individually as well as corporately. Many churches in our conference are familiar with DBS, but still more are uncertain of how to proceed, what costs they will incur, or require additional information and insights about the studies. If clergy or laity of a local church are interested in starting DBS, this is the workshop for you.
2. **How To Initiate Restorative Justice In Your Church-The Roles of the Clergy and Congregation**-An overview and discussion of the lead roles by clergy and congregations, review by Murray Batt on a DVD and a Restorative Handbook of training materials. Also, Pam Moye on Welcome Back, reaching victims by Vicki Schleimer, serving needs of Criminal Justice professionals by Jessie Stewart. The presentations will be brief and there will be time available for questions and answers.
3. **Radical Accessibility for People With Special Needs**-Come and experience what it is like to live with a disability. Each person will be given 15 minutes to experience a disability such as hearing loss, deafness, mobility impairment, sight impairment, etc. Then the group will debrief the participants on their experiences and provide new insights towards people with disabilities. You will learn how to welcome and include people with disabilities into your local church and its ministries.
4. **Sexual Ethics Response Teams Discussion**- Come and discuss the proposal for Response Teams to minister with local churches when they have a crisis because of a breach of sexual ethics. You will be able to talk directly with the Sexual Ethics Task Force that helped create the new Response Team procedures. Your questions and the answers you will receive are very important in helping everyone understand exactly why this issue is relevant and important in today's congregations.
5. **Spirituality in the Third Age of Life**-Workshop conducted by Dr. Richard H. Gentzler, Jr., Executive Director of the Center on Aging and Older Adult Ministries for the General Board of Discipleship. Dr. Gentzler will discuss the spiritual development in older adults, along with models of Ministry for the local church.
6. **"The Art & Soul of Vital Worship"**-In the workshop led by Marcia McFee, nationally-renowned worship designer, we'll look at the "why" and "how" of multi-sensory and engaging worship. We'll discover how worship design is a lot like the art of filmmaking – telling a story using image, word, music and action, layer upon layer. And we'll discover the role of "soul-full" worship leaders in vital worship. Marcia is currently designing the twenty-two worship experiences for General Conference 2008.
7. **Keys to Communications**-The Texas Annual Conference Office of Communications will share the keys to communications in this informative workshop. If you want to learn how to use print and digital media to share your church's ministry with the conference and the community, this is the workshop for you. The communications team will offer tips for strengthening your church's media efforts and hear from you on how we can better serve your communications needs.

8. **Missions 101**-Find the right mission project for you or your church through the Partners In Mission program and the Connectional System. Discussion will include hands on mission projects for individuals or teams that can be done at home, nationally or internationally. Current handouts will help you motivate your church to be in Mission Ministry. Kathie Mann, Partners In Mission Director.
9. **Celebrate Christ Through Native American Traditions**-Native Americans have contributed much to Christianity and the United Methodist Church, including strengthening of faith on the 1838 walk from the Atlantic coast to Oklahoma and Texas. Find out how you can worship in Native United Methodist tradition right here in East Texas, and learn how Native American Ministries offerings are spent on your behalf.
10. **Radical Hospitality Can Make or Break Your Church**-A workshop presented by the Radical Hospitality and Evangelism Ministries Teams, where you will have a panel discussion by the churches who will receive Evangelism Awards. What programs and ideas led to their growth? How can such Radical Hospitality and outreach help your church?
11. **“Have You Ever Thought About Giving Birth?”**-Don Smith will teach this workshop for churches that are considering mothering a new church start.
12. **Global Ministries-“Nothing But Nets”**-An overview concerning the work of Global Ministries and to introduce the General Church partnership with “Nothing But Nets”. Class taught by Richard Laster and Elizabeth McKee (with the United Nations Foundation).
13. **Resolution Discussion-“Reclaiming Our Wesleyan Heritage”**-This workshop will provide information about, and discussion of the proposed resolution before it goes to the floor of Annual Conference for vote. Publication of proposed resolutions is helpful, but not sufficient. Delegates sometimes have questions and/or would like to hear several points of view. This forum allows for “Holy Conversations” about proposed resolutions and has elements of both debate and true dialogue.
14. **Resolution Discussion-” Universal Comprehensive Healthcare”**- This workshop will provide information about, and discussion of the proposed resolution before it goes to the floor of Annual Conference for vote. Publication of proposed resolutions is helpful, but not sufficient. Delegates sometimes have questions and/or would like to hear several points of view. This forum allows for “Holy Conversations” about proposed resolutions and has elements of both debate and true dialogue.
15. **Resolution Discussion-“Breath of Life” Campaign**- This workshop will provide information about, and discussion of the proposed resolution before it goes to the floor of Annual Conference for vote. Publication of proposed resolutions is helpful, but not sufficient. Delegates sometimes have questions and/or would like to hear several points of view. This forum allows for “Holy Conversations” about proposed resolutions and has elements of both debate and true dialogue.
16. **Resolution Discussion-“The Budget as a Moral Document”**- This workshop will provide information about, and discussion of the proposed resolution before it goes to the floor of Annual Conference for vote. Publication of proposed resolutions is helpful, but not sufficient. Delegates sometimes have questions and/or would like to hear several points of view. This forum allows for “Holy Conversations” about proposed resolutions and has elements of both debate and true dialogue.

#	Workshop	Room Number
1	Disciple Bible Study	D206
2	Restorative Justice	D207
3	Radical Accessibility	D208
4	Sexual Ethics Response Teams	B210
5	Spirituality in the Third Age	D209
6	Vital Worship	Sanctuary
7	Keys to Communications	D210
8	Missions 101	"The Loft" LS-150
9	Native American Traditions	D212
10	Radical Hospitality	D211
11	Have You Ever Thought...	D213
12	Global Ministries	Robb Chapel
13	Reclaiming Wesleyan Heritage	"The Loft" LS-146
14	Universal Comp. Healthcare	"The Loft" LS-147
15	Breath of Life Campaign	"The Loft" LS-148
16	Budget as a Moral Document	"The Loft" LS-149

DIRECTIONS

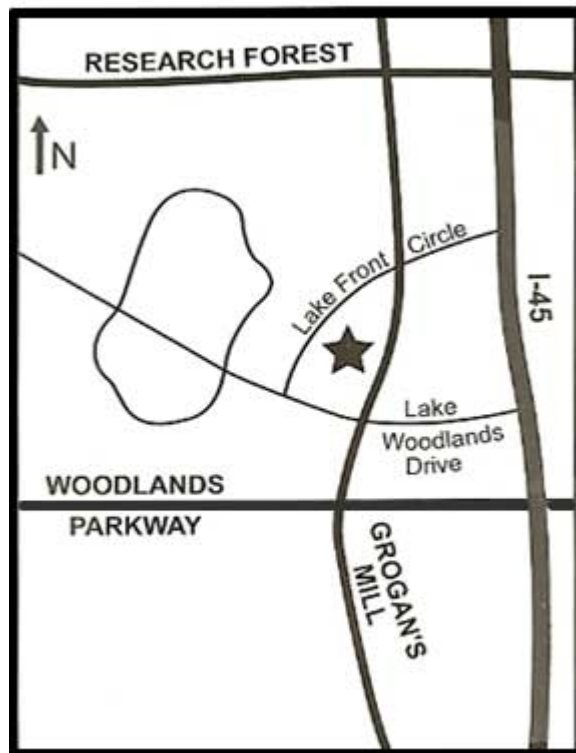
DIRECTIONS TO THE WOODLANDS UNITED METHODIST CHURCH

From the North

From I-45 traveling south, take exit number 77-Tamina Road/Research Forest Drive. Turn right onto Research Forest Drive. Turn left onto Grogan's Mill Road. Turn right onto Lake Woodlands Drive.

From the South

From I-45 traveling north, merge onto Woodlands Pkwy. Via exit number 76B. Turn right onto Grogan's Mill Road. Turn left onto Lake Woodlands Drive.



CONFERENCE PROCEDURES

Conference Rules and Structure

**These are the new rules adopted from the Document entitled
“Bound for Greater Things” and adopted at the Texas Annual Conference
2006**

TEXAS CONFERENCE STANDING RULES

SECTION 1: GENERAL

- I. The Texas Annual Conference (Conference) establishes Rules by which it operates (Rules) and its Model for Ministry under authority of paragraph 609 of The Book of Discipline of the United Methodist Church, 2004 (BOD or Discipline).
- II. The Model for Ministry and Rules describe Conference ministries and the procedures by which they operate.
- III. Any conflict between the Model for Ministry and Rules and The Book of Discipline of the United Methodist Church shall be decided in favor of The Book of Discipline.

SECTION 2: OFFICERS

- I. The Officers of the Texas Annual Conference shall be the Bishop, Assistant to the Bishop, Secretary, Fiscal Officer, Statistician, and Lay Leader. (BOD 603.9)
- II. The Secretary and the Statistician shall be elected at the last session of each quadrennium to serve during the next quadrennium. (BOD 603.7) The minutes of each business session shall be kept on file at Conference headquarters.
- III. A Chancellor shall be nominated by the Bishop and elected by the Conference. (BOD 603.8)
- IV. The Treasurer/Director of Administration shall be elected by the Conference, on nomination of the Conference Council on Finance and Administration, at the first session of the Conference after the quadrennial session of the General Conference. Upon vacancy, the Conference Council on Finance and Administration shall fill the position until the next session of the Texas Annual Conference. (BOD 618)

SECTION 3: MODEL FOR MINISTRY IN THE TEXAS ANNUAL CONFERENCE

I. CONFERENCE CORE LEADERSHIP TEAM

- A. A Conference Core Leadership Team will be responsible for implementing decisions of the Annual Conference in accordance with Conference Mission, Vision, and Core Beliefs. The Core Leadership Team will:
 1. Make decisions between sessions of the Annual Conference consistent with Conference Mission, Vision, Core Beliefs, budget, and directives and consistent with The Book of Discipline.
 2. Hold Conference bodies and staff accountable for action.
 3. Create a culture of accountability within the Conference by conducting an ongoing process of strategic planning, goal setting, and annual reporting to the Annual Conference.
- B. The Conference Core Leadership Team will be comprised of:
 1. Voting Members
 - a. One member from each of the nine Districts
 - b. Three At-Large Members
 - c. One Cabinet Member
 - d. The Conference Lay Leader(s)
 - e. The Bishop or the Assistant to the Bishop who will chair the Conference Core Leadership Team
 2. Ex-Officio Membership
 - a. The Director of the Center for Congregational Excellence
 - b. The Director of the Center for Clergy Excellence
 - c. The Director of the Center for Missional Excellence
 - d. The Director of the Center for Connectional Resources
 - e. The Conference Director of Communications

II. CONFERENCE MINISTRY CENTERS

- A. There will be four (4) Conference Ministry Centers

1. The Center for Congregational Excellence
2. The Center for Clergy Excellence
3. The Center for Missional Excellence
4. The Center for Connectional Resources

B. The Center for Congregational Excellence

The purpose of this center is to connect and equip local congregations and new church start leaders with tools and resources to engage in the practice of congregational revitalization, transformation, and vitality in communities they serve.

C. The Center for Clergy Excellence

The purpose of this center is to create an environment of support and accountability that continuously moves clergy of the Annual Conference toward excellence.

D. The Center for Missional Excellence

The purpose of this center is to provide and equip leaders who carry out ministries of mercy, justice, and wholeness to all persons inside and outside the church.

E. The Center for Connectional Resources

The purpose of this center is to provide fiscal oversight, property management, and archives and records to under gird the mission and ministry of the Texas Annual Conference.

SECTION 4: NOMINATIONS

I. Between the 2006 Annual Conference and the 2007 Annual Conference, the Nominations Committee will consist of the Bishop, the Assistant to the Bishop, the District Superintendents, and the Lay Leaders from each District to fill any vacancies between Conference sessions. At every level of the Model for Ministry, the Conference will be intentional in seeking diverse nominees by gender, race, ethnicity, age, and church size, who have the gifts, passions, and effective leadership skills to help the Conference achieve the Mission, Vision, and Core Beliefs adopted by the Conference on November 19, 2005.

II. The Core Leadership Team will recommend a nominations process for consideration at the 2007 Annual Conference. The process will be designed to assure the Conference will be intentional in seeking diverse nominees by gender, race, ethnicity, age, and church size, who have the gifts, passions, and effective leadership skills to help the Annual Conference achieve the Mission, Vision, and Core Beliefs adopted by the Conference on November 19, 2005.

SECTION 5: PROCEDURES OF THE ANNUAL CONFERENCE

I. Pre-Conference Journal

A. The Assistant to the Bishop shall be responsible for producing a Pre-Conference Journal. Contents of the Pre-Conference Journal shall include those materials necessary for the business of the Annual Conference to be conducted. It shall be mailed at least 25 days before the Annual Conference begins.

B. Chairpersons are responsible for providing reports and materials to the Assistant to the Bishop on the schedule prescribed by the Assistant to the Bishop.

C. Resolutions for consideration by the Annual Conference shall be presented to the appropriate Annual Conference body for inclusion in the Pre-Conference Journal. The appropriate body will examine the resolution and recommend concurrence/non-concurrence and/or changes.

D. Proposals and resolutions not in the Pre-Conference Journal, except for Resolutions of Thanks, may be brought up at Annual Conference provided that:

1. They have been on the table 24 hours and have been reviewed by the appropriate body, or
2. Rules are suspended allowing consideration of the proposal or resolution.

II. Conference Session Procedures

A. The Assistant to the Bishop shall prepare an agenda of all reports and proposals for distribution on the opening day of each Annual Conference.

B. No report, paper, or proposal shall be considered until three (3) copies have been given to the Secretary.

C. The Conference Rules may be suspended by a two-thirds (2/3) majority of the Annual Conference members present and voting. The Rules may be changed by three-fourths (3/4) majority of the Annual Conference members present and voting.

D. All items that do not require Annual Conference action will be placed on the consent calendar. If the consent calendar is not a part of the Pre-Conference Journal, it will be presented on the first day of Annual Conference and, after laying on the table for 24 hours, will be acted on by motion of the Assistant to the Bishop. Anyone may make a motion that an item be removed from the consent calendar.

E. Speeches in favor of or in opposition to a motion will be limited to three (3) minutes each.

III. Conference Journal

A. The Assistant to the Bishop shall be editor of the Conference Journal.

B. The Conference Journal shall include at a minimum

1. Items required by BOD 606
2. Year-end statement of receipts and expenditures by all Conference bodies
3. List of appointments with and without annuity claim
4. Conference Rules document

SECTION 6: DISTRICTS

I. Each District will determine an organizational structure that is consistent with the Conference vision and mission, and responsive to specific needs and priorities of the District.

SECTION 7: CONFERENCE STAFF

I. Conference staff positions will be determined by the Bishop, the Cabinet, and the Core Leadership Team.

II. Compensation of the Conference staff positions shall not exceed that of a District Superintendent.

III. Salaries of District Superintendents shall be adjusted annually by the percentage change in the average (mean) base salary of all full-time senior pastors serving in the Texas Annual Conference. This adjustment shall begin in 2005, using the 2004 compensation level as the initial base

SECTION 8: FINANCIAL PROCEDURES OF THE ANNUAL CONFERENCE

I. Each year, the Conference Council on Finance and Administration (CF&A) shall prepare and recommend a budget for the next calendar year, under appropriate headings, for Conference action.

II. At least 48 hours before presenting its recommended budget to the Annual Conference, the CF&A shall notify the Director of any Center of Excellence of any change in the recommended budget request for that body.

III. CF&A shall recommend to the Annual Conference for its action and determination methods or formulae by which all approved budgets shall be apportioned to the churches. All Conference delegates must be informed in writing of the financial consequences of any proposed change in the apportionment method before a vote is taken.

IV. The Treasurer of each church or charge shall remit to the Conference Fiscal Officer all receipts for Conference connectional causes, the District Superintendents' Fund, the Episcopal Fund, the Conference Claimants Fund, and Health insurance at least monthly.

V. The Conference Fiscal Officer shall distribute monthly or quarterly a report of budgeted funds available to the credit of agencies in proportion to receipts.

VI. All proposals with financial implications shall be referred to the CF&A before any action is taken by the Annual Conference, including any disbursements from the Reserve Fund.

VII. At the end of the fiscal year, any unexpended amounts remaining in the Conference Benevolences appropriation of the Administrative Expenses appropriation for any Conference body shall be lodged in a Reserve Fund.

VIII. At the end of each fiscal year, all unspent budgeted funds shall be deposited in the Reserve Fund, except that: unspent funds budgeted for New Church Starts or Church Revitalization shall be deposited in separate reserve accounts and made available as future supplements to these items, restricted to their intended purposes. These separate accounts shall not be considered part of the Annual Conference Reserve Fund.

IX. Annually, the CF&A shall report for Conference approval a list of special days without offering and a list of special days with offering, including Conference Advance Specials. No appeal shall be made to churches of the Texas Annual Conference without CF&A approval except as provided in The Book of Discipline.

X. By November 1, District Superintendents shall supply District Auditors apportioned amounts for causes reported in statistical tables, including all salaries set for the current calendar year. These shall be the official figures for such tables. District Superintendents shall send a copy of these figures to the Conference Statistician.

XI. Copies of all financial records and minutes of all meetings related to Centers of Excellence shall be sent to the office of the Assistant to the Bishop in hard copy or suitable electronic form.

XII. At the request of anyone receiving a salary from the Conference, the Conference Fiscal Officer is authorized to withhold a designated portion of salary annuities, allowances, and/or other benefits, pursuant to Internal Revenue Service regulations.

SECTION 9: PLAN OF EQUALIZATION

I. The Plan of Equalization shall follow BOD 602.

SECTION 10: ADDITIONAL PROCEDURES

I. Clergy and Laity Candidate Profile Booklet

Eligible clergy members and eligible laity willing to be considered for election as a delegate to General or Jurisdictional Conferences are requested to complete a candidate profile sheet for inclusion in a candidate profile booklet which shall be mailed with the Pre-Conference Journal. Eligible persons willing to be considered must agree to attend delegation meetings, to prepare themselves by studying all assigned materials, and to make the necessary preparations to be effective delegates. If any eligible person who is not included in the booklet receives a vote on any ballot, then the individual will be assigned a number to be included in the remainder of the balloting process.

II. Rule For The Payment Of MPP And CPP Arrearages

Each month the Director of Center of Clergy Excellence shall send to each District and affected pastor notification of arrearages for MPP and CPP. Upon receipt of the report, the District Superintendent shall contact the minister and the treasurer of the reported charge to assure timely payment of the arrearage by the church. If a local church does not make payment of MPP and CPP arrearages within 60 days of notification, the District Superintendent shall meet with the local church to discuss the realignment of the charge. Districts may choose to establish a reserve fund to assist in timely payment of MPP and CPP. It remains the responsibility of the local church to reimburse funds to the District within the time established by the District. Until reimbursement is made by the church, realignment of the charge remains under consideration.

ORGANIZATIONS AFFILIATED WITH THE TEXAS ANNUAL CONFERENCE

Entities Owned by the Texas Annual Conference

Organization	Center
Lakeview Methodist Conference Center	Congregation Excellence
Lon Morris College	Missional Excellence
Methodist Hospital	Missional Excellence

Affiliated Entities within the Texas Annual Conference

Organization	Center
Houston International Seafarer's Center	Missional Excellence
Methodist Retirement Communities	Missional Excellence
Shalom Mobile Health Ministry	Missional Excellence
UM Army	Missional Excellence
United Methodist Foundation	Missional Excellence
Wesley Community Center	Missional Excellence
Wiley College	Missional Excellence

Affiliated Entities within the State of Texas

Organization	Center
Methodist Children's Home	Missional Excellence
Methodist Mission Home	Missional Excellence
Texas Methodist Foundation	Missional Excellence
Texas United Methodist College Association	Missional Excellence

Affiliated Entities within the South Central Jurisdiction

Organization	Center
Lydia Patterson Institute	Missional Excellence
Mount Sequoyah	Missional Excellence
Perkins School of Theology	Missional Excellence
Saint Paul School of Theology	Missional Excellence

Entities Outside the South Central Jurisdiction

Organization	Center
Gulfside Assembly	Missional Excellence

REGISTRATION INFORMATION

		Clergy	Lay
Sunday, May 27	3:00-6:00 pm	Marriott Waterway	Marriott Waterway
Monday, May 28	8:00am-12:00 pm	The Woodlands UMC	Marriott Waterway
	1:00 pm-6:00 pm	The Woodlands UMC	The Woodlands UMC
Tuesday, May 29	8:00 am 12:00 pm	The Woodlands UMC	The Woodlands UMC

Clergy: As you approach the registration tables, you will be asked to review your conference journal directory listing. It is imperative that you take time to correct any new and all incorrect information. This is the source for corrections to the information that will appear in the "Texas Annual Conference 2007 Journal." You will receive your printed nametag when you have completed your information verification.

Clergy Spouses: You will be able to pick up your printed nametags at the Clergy Registration area.

Laity: As you approach the registration tables, you will be asked to review your conference journal Lay Delegate listing. If it is incorrect, you will need to make the appropriate adjustments. **If you ARE NOT the delegate listed, you will have to present a letter from your pastor confirming that you are the replacement delegate.** You will receive your printed nametag when you have completed your information verification.

ANNUAL CONFERENCE PRELIMINARY AGENDA

Following is a general outline of the agenda for Annual Conference 2007. It is not intended to be the complete agenda, but is a rough outline of the worship and business. We are working hard to honor requests for shorter reports, more fellowship and learning opportunities. Please note that this is the agenda as of our publication date and **is likely to change**. For updates, please visit our website, txcumc.org. At registration, participants will receive an updated agenda in their packets.

Opening of Annual Conference

Sunday, May 27, 2007

- | | |
|--------------|--|
| 3:00-6:00 PM | Early Registration
(Clergy & Lay, Marriott Waterway Hotel) |
| 7:30 PM | Service of Remembrance & Thanksgiving
Preacher: Dr. Julius Scott
(The Woodlands UMC-Sanctuary) |
| 9:00 PM | Service of Remembrance Reception (Wesley Hall) |

First Day of Annual Conference

Monday, May 28, 2007

- | | |
|--------------|--|
| 7:00-8:30 AM | Boards, Divisions, Commissions, Committees, Ministry Teams, meet as called (Meeting rooms listed in Pre-Conference Journal) |
| 8:00 AM | Registration
(Clergy-The Woodlands UMC)
(Lay-Marriott Waterway Hotel until noon/1:00 pm The Woodlands UMC) |
| 9:00 AM | Meeting Of Clergy
(The Woodlands UMC-Sanctuary) |
| 9:00 AM | Meeting Of Laity
(Marriott Waterway Hotel) |
| 11:00 AM | Lunch Break |
| 1:00 PM | Opening Celebration for TAC 2007 (The Woodlands UMC-Sanctuary) |
| 2:30 PM | Break |
| 2:45 PM | Annual Conference Business Session (The Woodlands UMC-Sanctuary) |
| 5:20 PM | Dinner Break |
| 7:30 PM | Worship Service-Encounters With The Holy: A Little Heaven Below
Preacher: Bishop William H. Willimon
(The Woodlands UMC-Sanctuary) |

Second Day of Annual Conference

Tuesday, May 29, 2007

- | | |
|------------------|--|
| 8:00 AM-12:00 PM | Registration for both Clergy & Laity (The Woodlands UMC) |
| 8:00 AM | Morning Bible Study
Preacher: Rev. Justin Coleman
(The Woodlands UMC-Sanctuary) |
| 8:45 AM | Break |
| 9:00 AM | Annual Conference Business Session (The Woodlands UMC-Sanctuary) |
| 10:40 AM | Break |
| 10:50 AM | Vote (The Woodlands UMC-Sanctuary) |
| 11:00 AM | Honoring of Retirements (The Woodlands UMC-Sanctuary) |
| 12:00 NOON | Lunch Break |
| 2:00 PM | Bishop William H. Willimon-presentation on "Passionate Worship"
(The Woodlands UMC-Sanctuary) |
| 3:30 PM | Break |
| 3:45 PM | Workshops (See Pre-Conference Journal for room assignments) |
| 5:00 PM | Dinner Break |
| 7:30 PM | Worship Service-Encounters with the Holy: A Call in the Night
Preacher: Bishop William H. Willimon
(The Woodlands UMC-Sanctuary) |

Third Day of Annual Conference

Wednesday, May 30, 2006

8:00 AM Morning Bible Study
Preacher: Rev. Justin Coleman
(The Woodlands UMC-Sanctuary)

8:45 AM Break

9:00 AM Annual Conference Business Session (The Woodlands UMC-Sanctuary)

10:31 AM Break

10:45 AM Vote (The Woodlands UMC-Sanctuary)

12:00 NOON Lunch Break

2:00 PM Annual Conference Business Session (The Woodlands UMC-Sanctuary)

3:23 PM Break

3:30 PM Annual Conference Business Session (The Woodlands UMC-Sanctuary)

5:00 PM Dinner Break

7:30 PM Ordination Service
Preacher: Bishop Janice Riggle Huie
(The Woodlands UMC-Sanctuary)

9:00 PM Reception Honoring Persons Being Ordained and Consecrated
(The Woodlands UMC-Atrium)

Last Day of Annual Conference

Thursday, May 31, 2006

9:00 AM Annual Conference Business Session (The Woodlands UMC-Sanctuary)

10:35 AM Break

10:45 AM Service of Going Forth and Commissioning
Preacher: Rev. Carol Turner
(The Woodlands UMC-Sanctuary)

12:00 NOON Commissioning Reception
(The Woodlands UMC-Atrium)

PRELIMINARY SCHEDULE OF SPECIAL EVENTS

This is the schedule for meals and special events as of our publication date. An updated list will be in the conference agenda and is available on our website at www.txcumc.org and the final list will be available in the Annual Conference agenda.

Saturday, May 26		
6:30 PM	Cabinet Dinner	"Grotto" on Lake Woodlands Dr.
Sunday, May 27		
6:00 PM	Prayer Room sponsored by Celebration	Robb Chapel
5:15 PM	BOM-Dinner & Meeting	The Loft-Green Room
9:00 PM	Memorial Service Reception	Wesley Hall
Monday, May 28		
All Day	Display Area	TWUMC-Gym
All Day	DOVE System Access	TWUMC-Room D-205
All Day	Group Health Benefits-Questions & Answers with Providers	TWUMC-Room D-214
All Day	Prayer Room sponsored by Celebration	Robb Chapel
7:00 AM	Southwestern University Alumni Breakfast	TWUMC-Room D-212
7:30 AM	Restorative Justice Breakfast & Meeting	Asbury Hall
7:30 AM	UMM Board Breakfast & Meeting	TWUMC-Room D-206
8:00 AM	TAC Worship Planning Team Breakfast	TWUMC-Room D-213
8:00 AM	Wiley College Alumni	Holiday Inn-Astrodome
11:00 AM	UMW Luncheon	The Loft-Gym
11:30 AM	Breaking the Silence Luncheon	Marriott-Ballroom 5
11:30 AM	Friends of Wesley Foundation Luncheon	Double Dave's/Research Forest
11:45 AM	Confessing Movement Luncheon	Wesley Hall
12:00 PM	Fellowship of Older Adults Luncheon	Aldersgate Hall
5:30 PM	Clergy Excellence-Jr. Ambassador Dinner	TWUMC Room D-206
5:30 PM	District Secretary's Dinner	Jones Library
5:30 PM	"Festival of Faith" sponsored by UMM	Wesley Hall
Tuesday, May 29		
All Day	Display Area	TWUMC-Gym
All Day	DOVE System Access	TWUMC-Room D-205
All Day	Group Health Benefits-Questions & Answers with Providers	TWUMC-Room D-214
All Day	Prayer Room sponsored by Celebration	Robb Chapel
7:00 AM	Clergy Women's Breakfast	Asbury Hall
7:00 AM	Local & Associate Members Breakfast	Aldersgate Hall
7:30 AM	Deacon's Breakfast	Jones Library
11:30 AM	Retiree Luncheon	Wesley Hall
12:00 PM	Candler School of Theology	TWUMC-Room D-206
12:00 PM	Celebration Women's Ministry Luncheon	Asbury Hall
12:00 PM	Peace with Justice Luncheon	Aldersgate Hall
12:00 PM	TCU-Brite Alumni Luncheon	Jones Library
12:15 PM	Black Methodists Church Renewal Lunch	"The Loft" Gym
5:15 PM	UMW Executive Board Dinner & Meeting	Jones Library
5:30 PM	Friends of Asbury Dinner	"The Loft" The Hangar
5:30 PM	Duke Divinity School Dinner	Aldersgate Hall
5:30 PM	Perkins Alumni Dinner	Asbury Hall
5:30 PM	TAC Awards Banquet	Wesley Hall
Wednesday, May 30		
All Day	Display Area	TWUMC-Gym
All Day	DOVE System Access	TWUMC-Room D-205
All Day	Group Health Benefits-Questions & Answers with Providers	TWUMC-Room D-214
All Day	Prayer Room sponsored by Celebration	Robb Chapel
7:00 AM	Lon Morris College Breakfast	Jones Library
11:00 AM	TAC Secretaries/Staff Luncheon	"The Loft" Summit
12:00 PM	Clergy Spouses Luncheon	Asbury Hall

12:00 PM	TCCEF Luncheon	Carrabba's
12:15 PM	Laity Luncheon	Wesley Hall
2:00 PM	Business Administrator's Reception	Jones Library
5:30 PM	BOM-Ordination Dinner	Wesley Hall
9:00 PM	BOM-Ordination Reception	TWUMC-Atrium
Thursday, May 31		
Until noon	Display Area	TWUMC-Gym
Until noon	DOVE System Access	TWUMC-Room D-205
Until noon	Group Health Benefits-Questions & Answers with Providers	TWUMC-Room D-214
Until noon	Prayer Room sponsored by Celebration	Robb Chapel
7:30 AM	BOM-Commissioning Breakfast	Wesley Hall
12:00 PM	BOM-Commissioning Reception	TWUMC-Atrium

ROOM ASSIGNMENTS

Following is a preliminary list of meeting space for organizations and committees during the week of annual conference. It does not include special dinners, receptions or events. A final list will be in your registration packet.

Bishop's Office.....	Allen Parlor
Business Sessions	Sanctuary
Cabinet Meeting Room	Galaway Conference Room
Café-"The Columns"	1 st Floor
Childcare (Infant through Kindergarten)	Safari Stop & Creation Station
Childcare (1 st grade – 6 th grade)	Clubhouse 21, Studio 34 & Planet 56
Clergy Teller Room.....	Rehearsal Room B
Cokesbury Book Store	2 nd Floor-Children's Activity Center
CORE Leadership Team	Rehearsal Room A
Displays	Gym
DOVE System Access.....	TWUMC-D205
Group Health Benefits-Questions & Answers by Providers	TWUMC-D214
Information Technology.....	McPheeter's Prayer Room
Laity Teller Room	Cry Room
Conference Office	Lenox Parlor
Conference Secretaries	2 nd Floor Balcony-Office
Information Desk.....	Information Center
Mission Store.....	Otterbein Room
Prayer Room	Robb Chapel
Registration (Monday-Tuesday)	Atrium
Snack Bar.....	Near the entrance to the Gym
Tellers	Rehearsal Room B
Ushers	Usher's Closet
Worship Committee Work Area	Sacristy
Worship-Music Rehearsal	Choir Rehearsal Room
Worship Services.....	Sanctuary

Committee Meetings

Sunday

Texas Conference UMW Program Committee, 1:00 pmTWUMC-Room D207
Board of Ordained Ministry-Executive Committee, 3:30 pm Jones Library
Annual Conference Worship Planning Team, 4:00 pm Music Library

Monday

Board of Higher Education & Campus Ministry, 7:30 am TWUMC-D208
Board of Ordained Ministry-Candidates Gathering, 7:30 am Robb Chapel
Commission on Equitable Compensation, 7:30 am TWUMC-D209
Election Tellers, 7:30 AM Aldersgate Hall
Annual Conference Worship Planning Team Music Library
Cemetery Trustees, 8:00 am TWUMC-D211
Christian Unity & Interreligious Concerns, 8:00 am TWUMC-D207
Texas Conference Secretaries & Assoc., 8:00 am Lenox Parlor
BOM Candidates Gathering, 1:00 PM Sanctuary
Order of Saint Luke, 9:00 PM Chrysostom Chapel

Tuesday

Gulfside Reunion Club Meeting, 5:30 PM ‘The Loft’

As Needed

Cabinet Meeting Room, Sunday-Thursday Galaway Conference Room
CORE Leadership Team, Sunday-Thursday TWUMC-Rehearsal Room A

PRELIMINARY CONSENT CALENDAR

The consent calendar will be presented as a resolution in which the reports listed can be approved in one motion rather than separate motions for each item. However, any item can be pulled off the consent calendar to be discussed and considered separately by a request made on the floor when the consent calendar is presented. Following is a preliminary list of items to be included on the Consent Calendar. As you review the reports included in this Pre-Conference Journal, it may help you to keep this in mind. **In your registration packet you will receive a final copy of the consent calendar, if they have been changes.**

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RESOLUTIONS TO THE ANNUAL CONFERENCE

The Following RESOLUTIONS ARE from The Committee on Church and Society

A Resolution to Endorse the “Breath of Life” Campaign

Whereas: Two-thirds of all Texans live in urban areas where the air is unsafe to breathe so often that the federal government is requiring Texas to significantly reduce air pollution by 2010. Texas has set an overall goal of reducing emissions by 30% to ensure our air is clear and safe to breathe; and

Whereas: Air pollution reduces quality of life and is a health risk for many; and

Whereas: Air pollution also carries an economic cost. In Houston alone it is estimated to cost \$3 billion a year in excess health costs; and

Whereas: The Bible and our denomination (§160) tell us that all creation is the Lord’s, and “we are responsible for the ways in which we use and abuse it. ... God has granted us stewardship of creation.” This section of the *Discipline* calls us to recognize the responsibility of the church and its members to “place a high priority on changes in economic, political, social, and technological lifestyle to support a more ecologically equitable and sustainable world leading to a higher quality of life for all of God’s creation.” We support and encourage assisting in the cleanup of polluted air (§160 A), and support de-emphasizing or eliminating energy-producing technologies that endanger health, safety and even the existence of the present and future human and nonhuman creation, and support conservation (§160 B).

Whereas: Faith communities have many worship, educational, family, outreach ministry facilities that use electricity, just like other buildings; and

Whereas: Flipping light switches, adjusting thermostats, weatherproofing, and other actions can be viewed as acts of charity; and

Whereas: A program has been designed for faith communities to assess energy use, determine ways to reduce emissions, and report these reductions to the state to be included in the voluntary reductions toward the 30% goal;

We therefore call The Texas Annual Conference of The United Methodist Church:

- to reaffirm our faith that all creation is made by God and belongs to God;
- to affirm that, individually and collectively we are called to care more tenderly for God’s creation;
- to endorse the “Breath of Life” campaign, urging all congregations and organizations to participate. Local congregations are called to educate their members about the “Breath of Life” program, including information on how the local congregation as well as individual members can take action to reduce emissions. The Texas Conference Board of Church and Society will assist in providing workshops and resources in this effort.

The Budget as a Moral Document

WHEREAS: A nation is judged by how it treats those who are the most vulnerable (children, the elderly, the handicapped, the ill); and

WHEREAS: The Congressional budgets for 2006 and 2007 enacted cuts to Medicaid, Medicare, and education that harmed “the least of these”; and

WHEREAS: The United Methodist Church in its Social Principles supports measures that would reduce the concentration of wealth in the hands of a few (§ 163). The Social Principles support such policies as adequate meaningful employment opportunities, adequate medical and hospital care, and humanization and radical revisions of welfare programs to begin to alleviate poverty (§ 163 E, *Discipline*, 2004); and

WHEREAS: John Wesley entered into solidarity with the poor. His sermons revealed the dangers of wealth, not only of individuals, but also of nations; and

WHEREAS: The eighth century prophets spoke out against the religious leaders of their day in their practices of “selling the righteous for silver, and the needy for a pair of sandals; for trampling the head of the poor into the dust of the earth, and pushing the afflicted out of the way” (Amos 2:6); and

WHEREAS: Jesus preached that whenever we “saw the hungry and gave them food or thirsty and gave them something to drink... And when we saw a stranger and welcomed them, or the naked and clothed them...Or when we saw the sick or the prisoner and we visited them, we did it unto him” (Matthew 25:36-45);

We call the Texas Annual Conference to:

- 1) Urge Congress to consider the impact of its budgets on the “least of these” in our nation and world.
- 2) Educate United Methodist members on items within the congressional budget that affect the “least of these.”
- 3) Encourage United Methodists to contact their representatives and other lawmakers expressing their concerns with federal and state budgets.

RECLAIMING OUR WESLEYAN ROOTS

Our Lord commands us “Be perfect, as your heavenly Father is perfect,” (Matt 5:48) , and the words of our Lord in Matthew 5:20 impose the highest standards of conduct and fidelity. We are admonished in Hebrews 6:1 to go on to perfection of conduct and understanding. The Scriptures require of us that we press onward toward that perfection of righteousness which is the goal of all who seek to live in imitation of Christ. In Philippians 3:10-12 we hear these words by way of example: “I want to know Christ and the power of his resurrection and the sharing of his sufferings by becoming like him in his death, if somehow I may attain the resurrection from the dead. Not that I have already attained this or have already reached the goal, but I press on to make it my own because Christ Jesus has made me his own.”

In “The Circumcision of the Heart (Sermon XIII) and in “Christian Perfection” (Sermon XXXV) John Wesley established that perfection in humility, love, hope, and faith are possible among humankind by virtue of the power of the Holy Spirit at work in us. This is the appropriate desire and logical goal of our personal and of our common life.

The Church (“The Reformation of Manners” Sermon LII) has as its purposes not only the salvation of each soul, but also the overthrow of the kingdom of Satan and the establishment of the kingdom of Christ. To these ends it must act for highest particular and general good, and it must address not only those evils that bear on each person in his or her own life, but on those systemic and widespread evils that are at war with the righteousness of nations. Qualifications for the work are blameless conduct, faith, courage, patience, steadfastness, and most of all love.

The General Conference of the United Methodist Church recognizes the personal and social nature of its task . 1) The earliest Methodists came together in societies for mutual encouragement and accountability, whose General Rules are commended to us in our Discipline, P103. 2) We regard

first Scripture, and then also reason, experience, and tradition as instruments of revelation and sources of divine wisdom, P104. 3) Based on prayerful and thoughtful reflection, making use of such gifts of discernment as God may provide, we formulate our Social Principles as a call to faithfulness, Preface to Part IV, Social Principles. The Book of Discipline, 2004.

Therefore, be it resolved that United Methodist Christians in the Texas Annual Conference are urged to participate in Covenant Discipleship Groups because they provide an environment conducive to growth in maturity of faith and perfection of love. United Methodist Christians are strongly urged to utilize United Methodist curriculum and study materials because they make use of the full range of God's revelation of divine will and nature. United Methodists Christians are strongly urged to study the Social Principles as a means of faithful engagement with the world. To that end the Texas Conference Board of Church and Society will undertake to provide appropriate workshops and study sessions.

UNIVERSAL COMPREHENSIVE HEALTHCARE

Whereas: The United Methodist Church supports the basic rights of all persons equal access to medical care (§162, 2004 *Discipline*); and

Whereas: Resolution 113 (Book of Resolutions, 2004) calls for legislation that will provide universal access to quality health care with effective cost controls; and

Whereas: John Wesley was always deeply concerned about health care, providing medical services at no cost to the poor in London and emphasizing preventive care; and

Whereas: Texas has one of the highest rates of uninsured in the nation, with Houston having the highest rate in the entire USA; and

Whereas: The uninsured in our state and nation include some of the most vulnerable members of society, particularly children; and

Whereas: Lack of insurance results in longer and longer waits in hospital emergency rooms, the loss of dignity for all patients inherent in such settings, and contributes to significant cost increases; and

Whereas: The majority of persons uninsured in the US are US citizens, and are employed;

Whereas: The quality of care is negatively impacted by the high number of uninsured so that, for example, the infant mortality rate is higher in the US than in Cuba; and

Whereas: The Texas Annual Conference increasingly struggles to meet its insurance needs and to pay for those needs; and

Whereas: Jesus demonstrated deep concern and care for the physical, mental, emotional and spiritual health of persons he encountered;

We call The Texas Annual Conference to:

- 1) Endorse CHIP in Texas and seek the reinstatement of all benefits, and expansion in the program so that all children may have the health care they need.
- 2) Educate UM members about the current healthcare system, the issue of healthcare, the theological foundations for this concern, ways to seek transformation of our healthcare system, and encouragement to regularly contact lawmakers and elected officials on behalf of "the least of these".
- 3) Encourage pastors, leaders, and members to speak up—to write letters to editors, to speak and write in support of adequate health care for all persons.
- 4) Seek a national health care plan that is universal, comprehensive, affordable, efficient, and accountable.

In Support of the Resolution on the War in Iraq
From the Council of Bishops of The United Methodist
Church, November 2005

The Committee on Church and Society has removed this resolution from the referred Resolutions from the Texas Annual Conference in 2006.

The Following RESOLUTIONS are from The Core Leadership Team

Resolutions to Conference Rules

The following resolution includes changes made to Section 4: Nominations, I-IV:

SECTION 4: NOMINATIONS

I. The Nomination Committee

The Nominations Committee for the Texas Annual Conference of the UMC shall consist of The Assistant to the Bishop, the Dean of the Cabinet, and one representative from each of the 9 Districts. The District Representatives shall consist of 3 clergy, 3 lay men, and 3 lay women. The Nominations Committee will reflect the diversity of the Texas Annual Conference with regard to ethnicity, age, gender, geography, and church size. The ex-officio members with voice and vote shall consist of the Directors of the Centers and the Conference Lay Leader. The chair of the Nominations Committee will be The Assistant to the Bishop.

II. Quadrennium Nominations

A. At the Annual Conference session one year prior to each new quadrennium, The Assistant to the Bishop will distribute a listing and description of all positions on teams, boards, agencies, committees, commissions and councils which are subject to election by the Annual Conference to all clergy and lay delegates to Annual Conference. The Nominations Committee will hold a workshop during Annual Conference to discuss the Nominations Process. The delegates shall take the listing and description back to their local churches and districts for discussion.

B. Persons interested in being considered for nomination to any TAC positions shall fill out a biographical profile including church, district, conference and spiritual gifts and turn these into their local church pastors and District Superintendents for comments and endorsement. Completed profiles with endorsements shall be sent into the office of The Assistant to the Bishop prior to December 1 of the year prior to the new quadrennium. District Superintendents, Center Directors, and the Core Leadership Team and District Leadership Teams may also make nominations.

C. The Assistant to the Bishop will prepare a profile book for the Nominations Committee by February 1. The Nominations Committee will meet prior to February 15. The Nominations Committee will make nominations from the pool of names in the Profile Book. The Nominations Committee will strive to make each Board, Agency, Commission, Committee, and Team as inclusive as possible with regard to ethnicity, age, gender, and church size. The report of the Nominations Committee will be reviewed by the Commission on Religion and Race for inclusivity as specified in the current *Book of Discipline of the United Methodist Church*. The Commission on Religion and Race will report any recommendations back to the Nominations Committee by March 1. All persons nominated by the Nominating Committee will be notified by email or letter and indicate whether they accept or decline the nomination. The Nominations Committee will continue to meet until nominations are finalized. Nominations from the pool in the Profile Book will be completed by March 15 and will be published in the Pre-Conference Journal. Some nominations may need to be made after the March 15 deadline and these will be presented at Annual Conference.

D. All Ministry Teams, Boards, Divisions, Commissions, Committees will consist of ½ clergy and ½ laity unless otherwise restricted by the current *Book of Discipline of the United Methodist Church*.

E. Persons may be nominated from the floor of the Annual Conference. The nominator will indicate which person from the Nominating Committee's report is to be replaced by the nominee. Substitute nominations should be in the same category of inclusivity as the person in the Nomination Committee's

report. Votes on substitute nominees will be made individually prior to the vote on the full report.

F. Persons shall not serve more than two consecutive quadrenniums on the same Ministry Team, Board, Division, Commission, and Committee except in the case of persons elected to complete a vacancy occurring during a quadrennium who will be allowed to serve two consecutive full quadrenniums. No persons shall be eligible to serve on more than one Ministry Team, Board, Division, Commission or Committee at the same time.

G. The Chairperson of any Ministry team, Board, Division Commission or Committee shall not serve more than one full quadrennium except in the case of person filling an unexpired term of not over two years.

H. During the quadrennium, annual assessments will be conducted of the leadership of all Ministry Teams, Board, Divisions, Commissions, and Committees for attendance, effectiveness, and evidences of fruitfulness. Based on these assessments, the Center Leaders may request the Core Leadership Team to recommend remedial action or replacement of leadership.

I. All Nomination Rules of the Texas Annual Conference are subject to any applicable provisions of the current *Book of Discipline of the United Methodist Church*

J. The Board of Ordained Ministry of the Texas Annual Conference will be subject to Paragraph 534 of the current *Book of Discipline of the United Methodist Church* with the exception of the term limit which will be two quadrenniums.

K. Persons elected will begin serving at the close of Annual Conference.

III. Nominations Between Quadrenniums

A. Vacancies in elected positions occurring between sessions of Annual Conference will be filled on a temporary basis by a vote of the Core Leadership Team. Nominations for the Core Leadership Team to consider for vacancies will be made by the Nominations Committee.

B. Vacancies will be permanently filled by the process listed in Section II.

IV. District Nominations

The Districts shall use a process similar to the Conference process subject to the current *Book of Discipline of the United Methodist Church*.

[For 2007 the Core Leadership Team will nominate the 2007-2008 Nominating Committee from a pool of names submitted by the process outlined in Section II, C. After 2008 the Nominations Committee nominations will follow the same guidelines as the rest of the Committees being nominated.]

The following resolution includes changes made to Section 5: Pre-Conference Journal, I, C and D:

SECTION 5: PROCEDURES OF THE ANNUAL CONFERENCE

I. Pre-Conference Journal

C. Resolutions and Proposals

1. Resolutions and proposals (Proposals are related to structures and rules; resolutions are related to issues.) for consideration by the Annual Conference and shall be sent to The Assistant to the Bishop at least 180 days prior to the Annual Conference Session. The Assistant to the Bishop will refer resolutions to the appropriate Center of Excellence (Center Leadership Team) of the Annual Conference for consideration. The Center will study the resolution/proposal and offer any changes to the resolution to the presenting entity. The final resolution will be distributed to the Districts with a list of speakers for and against the resolution/proposal for discussion. The discussion needs to be completed prior to February 15 of each year. Comments from the District discussions are to be forwarded to the Center responsible for the resolution/proposal. The Center will vote concurrence or non-concurrence and report its results back to the entity responsible for the resolution/proposal. The entity responsible for the resolution/proposal can withdraw the resolution/proposal from consideration by the Annual

Conference to send the resolution/proposal on to The Assistant to the Bishop for inclusion in the Pre-Conference Journal.

2. Proposals (changes to the Conference Rules or the Model for Ministry) will be referred to the Core Leadership Team for consideration and action. The Core Leadership Team may also distribute the final proposal to the Districts for discussion as set forth for resolutions in Section 5, I.C.1. above.

3. All discussions regarding the resolutions/proposals, whether in the Center of the Districts, will be conducted in a spirit of Holy Conversations with all sides of the issues being presented and listened to in a spirit of Christian love and respect. Persons making presentations will not be interrogated or cross-examined. Persons present will not participate in applause or partisan or disparaging sounds (boos or hurrahs). No personal attacks will be allowed.

4. Resolutions and proposals included in the Pre-Conference Journal can be discussed in District Delegate Meetings prior to Annual Conference. The Center and the entity responsible for the resolution/proposal can provide a speaker for and a speaker against the resolution/proposal. All discussions surrounding the resolutions/proposals will be made in the spirit of Holy Conversations as set forth in Section 5: I.C.3. above.

5. Resolutions and proposals included in the Pre-Conference Journal will be placed on the Agenda of the Annual Conference. All resolutions/proposals will be included in the Conference Workshops with scheduled speakers for and against the resolutions/proposals and questions and answers. All presentations, questions, and answers in the workshops will be made in the spirit of Holy Conversations as set forth in Section 5: I.C.3 above.

6. When the resolutions/proposals come to the floor of Annual Conference, there will be one predetermined speaker for and one predetermined speaker against the resolution/proposal. Each speaker is allowed a maximum of 5 minutes. An additional 6 minutes will be allowed for alternating comments, no longer than 60 seconds each, for and against the resolution/proposal. All comments will be made in the spirit of Holy Conversations as set forth in Section 5: I.C.3 above. A minute of silent prayer will precede the vote on each proposal/resolution.

D. Change to read:

Proposals and resolutions not in the Pre-Conference Journal, except for Resolutions of Thanks, may be brought up at Annual Conference provided that:

1. They have been turned into The Assistant to the Bishop at least 7 days prior to the Annual Conference session and have been reviewed by the appropriate Center or the Core Leadership Team with a recommendation of concurrence/non-concurrence and/or disposition;
and, at the Monday afternoon session of Annual Conference, the Conference votes to suspend the rules;
and, two speakers, one for the resolution/proposal and one against the resolution/proposal, are provided for the Tuesday afternoon Workshop.

The following resolution is an addition, Section 10, Overview:

Overview of Texas Annual Conference Assessment Process

Purpose: To *establish, review, and measure progress toward achievement of* Goals, Objectives, and Evidence of Fruitfulness. The Assessment Process ensures aligned planning and good stewardship at the Conference, Center of Excellence, District, ministry, church, and clergy levels, to achieve the Conference Mission, Vision, and Core Beliefs. Results of reviews and measures contribute to subsequent plans as successes to be replicated, risks to be recognized, problems to be addressed, and challenges to be met. Assessment results allow us to celebrate victories and identify opportunities for improvement.

Process: The Annual Conference and each Center, District, ministry, church, and clergy member-including the Bishop, Center Directors and District Superintendents –

establishes Goals and Objectives consistent with and contributing to our Mission, Vision, Core Beliefs, and Measures of Fruitfulness.

The Core Leadership Team supports the Annual Conference in overseeing Assessment Process. Before Annual Conference, The Core Leadership Team reviews prior year's results and recommends Conference-level Goals, Objectives, and Evidence of Fruitfulness measures for the coming year. At the beginning and end of the yearly planning cycle, the Core Leadership Team reviews Center and District Goals, Objectives and Evidence of Fruitfulness; and reviews progress quarterly.

Each Center and District develops annual Goals, Objectives, and Evidence of Fruitfulness, consulting with each other to optimize support to churches and clergy and avoid gaps and duplications between or across Centers and Districts. Ministry teams recommend Goals and Objectives based on input from programs and ministries within the team. Centers approve ministry goals and objectives and review progress. Ministry teams annually assess results of their programs and ministries.

Each clergy member develops annual Goals and Objectives for each charge and for herself/himself.

The Conference will provide more detailed information about the Assessment Process to all affected groups and persons.

Recommended Assessment Process for the Texas Annual Conference Model for Ministry

Background – One key element of the Conference Model for Ministry is creating a culture of accountability in all we do. Our Vision and Mission, which we adopted in November 2005, are the foundation of accountability. The Core Leadership Team (CLT) and all other Conference bodies are charged to engage in ongoing assessment of their ministries.

An additional vital component of accountability is periodic assessment of the Model for Ministry itself. This assessment will provide objective data and recommendations to the Conference concerning:

- + Progress in achieving our Vision and Mission
- + Fruitfulness of our overall structure
- + Effectiveness and efficiency of our Model for Ministry
- + Continuous improvement of the Model
- + Correction of any deficiencies identified

Assessment Process – The Strategic Mapping Team recommends that an assessment of the Conference Model for Ministry be conducted at two-year intervals by an outside consultant not otherwise related to the Conference. The consultant's work would build on and use, but not duplicate, internal assessments. The assessment consultant's charge would be to:

- + Evaluate and report on the overall fitness of the Model for Ministry to achieve our Vision and Mission.
- + Evaluate Evidence of Fruitfulness measures as indicators of fulfilling the Vision and Mission.
- + Recommend any structural or organizational changes needed to improve the Model for Ministry.
- + Identify areas for additional study and planning by the Conference.

Special Assessment Team – In addition to an independent consultant assessment, the Strategic Mapping Team recommends that a four-member Special Assessment Team evaluate whether the Model for Ministry significantly enhances achieving Conference-adopted Evidence of Fruitfulness

measures. The team may also consider other areas of fruitfulness such as: clergy recruitment, new church starts, congregational transformation, and other indicators reflecting the Conference's health and vitality.

The Special Assessment Team may propose revisions to existing Evidence of Fruitfulness measures and/or new measures. Modification or addition of measures would require Conference action. The Special Assessment Team may also comment on the accuracy, completeness and relevance of data reported to the Conference, and make recommendations for improvement. The Special Assessment Team will provide an annual report to the Conference.

Members of the Special Assessment Team would be persons not otherwise involved in the Model for Ministry. The Conference Nominations Committee will recommend members of the Special Assessment Team, understanding that the intent is not to conduct a self-assessment.

Resolution for a Change to the Social Principles Implementation Team Structure

The following resolution is on page 16 of the *Bound for Greater Things*:

“Chairpersons of Religion and Race, Commission on Status and Role of Women (COSROW), Christian Unity and Interreligious Concern Ministries, Hispanic Ministries, Native American Concerns, BMCR, the Coordinator of Peace with Justice. The Chairperson will be nominated from the Team members.”

***The Following RESOLUTION is from the
Committee on Disability Concerns***

Relating to a Conference Mandated Access Sunday

Whereas the Texas Annual Conference of the United Methodist Church is in mission to change lives and reshape futures for Jesus Christ and believes in radical hospitality, passionate worship, and connectional ministry for all persons

And

Whereas the church of Jesus Christ and The United Methodist Church is open to all children of God having differing gifts and needs; and these needs are varied and universal yet specific to a local church

And

Whereas churches in the Texas Annual Conference need persons with special needs and disabilities in their midst to make congregations whole

And

Whereas the Book of Discipline paragraph ¶266.4 calls for the observance of a Disability Awareness Sunday with an optional offering

Therefore be it resolved

That these recommendations be adopted to allow local congregations to celebrate the gift exchange that exists between themselves and persons with disabilities.

1. That the Committee on Disability Concerns work with the conference to designate an annual "Disability Awareness Sunday" to promote the participation and celebration of the gifts and graces of persons with disabilities within the local congregation.
2. That the annual conference may receive an voluntary offering to promote architectural and attitudinal accessibility in local churches, to be administered by the Committee on Disability Concerns.
3. That the Committee on Disability Concerns will provide resources for the planning and celebration of a Disability Awareness Sunday.

***The Following RESOLUTION IS from the
Committee on Native American Concerns***

**RESOLUTION ON RECONCILIATION WITH NATIVE
AMERICANS:
Confession to Native Americans**

RATIONALE

In response to a 2004 General Conference recommendation, we propose the following:

RESOLUTION

WHEREAS, the gospel calls us to celebrate and protect the worth and dignity of all peoples; and

WHEREAS, the Christian churches, including The United Methodist Church and its predecessors, have participated in the destruction of Native American people, culture, and religious practices; and

WHEREAS, the churches of this country have not sufficiently confessed their complicity in this evil: and

WHEREAS, the churches have been blessed by having members who are Native Americans as well as by engaging in dialogue with Native Americans who practice their traditional religions; and

WHEREAS, confession of our guilt is a first step toward the wholeness that the churches seek through the ecumenical movement;

Therefore, be it resolved, that The United Methodist General Conference confesses that The United Methodist Church (and its predecessor bodies) has sinned and continues to sin against its Native American brothers and sisters and offers this formal apology for its participation, intended and unintended, in the violent colonization of their land; and

Be it further resolved, that The United Methodist church pledges its support and assistance in upholding the American Indian Religious Freedom Acts (P.L. 95-134, 1978) and within that legal precedent affirms the following:

1. the rights of the native peoples to practice and participate in traditional ceremonies and rituals with the same protection offered all religions under the Constitution of the United States of America;
2. access to and protection of sacred sites and public lands for ceremonial purposes; and
3. the use of religious symbols (feathers, tobacco, sweet grass, bones, and so forth) for use in traditional ceremonies and rituals.

Be it further resolved, that the General Conference recommends that local churches develop similar statements of confession as a way of fostering a deep sense of community with Native Americans and encourages the members of our Church to stand in solidarity on these important religious issues and to provide mediation when appropriate for ongoing negotiations with state and federal agencies regarding these matters.

ADOPTED 1992, READOPTED 2004

***The Following RESOLUTIONS are from the
Sexual Ethics Task Force/Committee on Sexual Ethics***

**AMMENDMENT TO
SEXUAL ETHICS PROCEDURES
OF THE TEXAS ANNUAL CONFERENCE
Effective June 1, 2007**

The Board of Ordained Ministry moves to amend the Procedures of the Sexual Ethics Policy of the Texas Annual Conference as follows.

On page four of the Procedures document, under **Care and training for clergypersons**, #1, the policy will read:

1. The Board of Ordained Ministry shall provide training in sexual ethics for all clergy persons under appointment **each quadrennium**.

**PROPOSAL FOR NAME CHANGE TO
TEXAS ANNUAL CONFERENCE
COMMITTEE ON SEXUAL ETHICS**

WHEREAS the Sexual Ethics Task Force was formed by the bishop's appointment, and

WHEREAS the bishop and cabinet have recommended that the Sexual Ethics Task Force should become a standing committee of the Texas Annual Conference, and

WHEREAS the Sexual Ethics Task Force assists the Conference Board of Ordained Ministry in sexual ethics training for the ordained and licensed clergy and the certified lay professionals of the annual conference, and

WHEREAS the responsibility for recruiting members and providing basic training for Response Team members will be the responsibility of the Sexual Ethics Task Force,

THEREFORE, WE PROPOSE that the name of the Sexual Ethics Task Force be changed to the **Texas Annual Conference Committee on Sexual Ethics**, and

WE PROPOSE the membership of the Texas Annual Conference Committee on Sexual Ethics be appointed by the bishop in consultation with the Cabinet and the Conference Board of Ordained Ministry in the first year of each quadrennium to serve for a term of four years with reappointment for a maximum of twelve years, and

WE PROPOSE that the current members of the Sexual Ethics Task Force comprise the first Texas Annual Conference Committee on Sexual Ethics serving for the remainder of the quadrennium including any changes in membership the bishop, Cabinet and Conference Board of Ordained Ministry choose to make. The 2007-2008 membership would be as follows:

Mr. Ross Adams
Rev. Peter Cammerano
Rev. Rodney Graves
Dr. B. J. Hightower
Rev. Daniel Jones
Rev. Susan Keirn Kester
Rev. Ruby Nelson

Ex Officio:
Rev. Mary E. Tumulty, Order of Deacons-BOM
Rev. Kay Johnson, Rep. of Order of Elders-BOM
Rev. Gail Ford Smith, Cabinet
Rev. B. T. Williamson, Center for Clergy Excellence
Dr. Elijah Stansell, Center for Connectional Ministry
Liaison, Safe Sanctuaries

Dr. Burt Palmer
Rev. V. Patrick Sparks

Conference Coordinator of Response Teams
Shadow Sloan, Legal Counsel

WE PROPOSE that the Sexual Ethics Committee be accountable to the bishop of the Texas Annual Conference in consultation with the Cabinet and the Conference Board of Ordained Ministry, and

WE PROPOSE the bishop name the chair of the Committee on Sexual Ethics, and

WE PROPOSE Texas Annual Conference Committee on Sexual Ethics be given the following responsibilities:

1. Educating all clergy and laity about the Sexual Ethics Policy and Procedures of the Annual Conference and providing educational resources to support and supplement the training.
2. Working with the Board of Ordained Ministry to provide annual training for all first time licensed and appointed clergy of the Texas Annual Conference on the Sexual Ethics Policy and Procedures.
3. Those transferring into or those serving on loan to the Texas Annual Conference must complete the next basic sexual ethics training class offered, regardless of other sexual ethics training they have received.
4. Reviewing and approving any requests by those serving in extension ministries for substitution of comparable sexual ethics training completed within the context of their area of ministry.
5. Working with the Board of Ordained Ministry to provide regular continuing educational opportunities for all appointed clergy in the sexual ethics of the pastoral office and of professional Christian leadership in a local church.
6. Training Response Teams for deployment by the bishop.

POLICY FOR RESPONSE TEAMS

Effective June 1, 2007

Rationale

When clergy misconduct occurs, it is often the case that the clergy is removed immediately. Necessary investigation as well as administrative and legal procedures to determine credibility can leave the congregation in a state of limbo. Once credibility has been established and disclosure can take place, "congregations who are offered sensitive and competent assistance in getting through the crisis and follow-up frequently grow spiritually and emerge stronger than ever if they face the situation together." 1

However, past congregational experiences of clergy misconduct can show up for years after the actual experience has taken place. Therefore, this can be especially true in churches when unresolved grief has not been processed and exaggerates the current situation.

(Based on Hopkins, Nancy Myer, *The Congregational Response to Clergy Betrayals of Trust*, The Liturgical Press: Collegeville, MN, 1998.)

The Ministry of Response Teams

We are in ministry with all those who have been affected by clergy sexual abuse, misconduct, and/or harassment. As Paul reminds us, "If one member suffers, all suffer together...for we are the body of Christ and individually members of it." (1 Corinthians 12:26ff)

Grace, not retaliation, defines our action because we know God as pure, unbounded love revealed in Jesus Christ. Our response does not ignore the pain of the breached boundaries, but recognizes the ultimate power of God's grace to overcome human misuse.

To those who have been injured, we affirm God's compassionate healing Spirit because we desire wholeness. To those who have misused their sacred office, we affirm God's forgiveness in confession because we are accountable. To the members of the affected congregation, we affirm God's continued presence because we believe God is trustworthy and the church's ultimate foundation.

The Purpose of Response Teams

The purpose of the Sexual Ethics Response Teams is to be a caring ministry of trained teams comprised of individuals from the Annual Conference to congregations affected by clergy sexual abuse, misconduct, and/or harassment. Through these teams support will be offered:

- Person(s) making a complaint

- Clergy who are accused of abuse, misconduct and/or harassment
- The family of the complainant
- The family of the respondent clergy
- The congregation(s)

The function of the Sexual Ethics Response Teams is to help affected congregations so that they may experience God's healing grace and once again focus upon their mission to make disciples of Jesus Christ for the transformation of the world to the glory of God.

The Role of the Response Team

The role of the Response Team sent to a local congregation includes but is not limited to the following:

- o Creating a safe atmosphere where congregational healing can take place
- o Striving to be a non-anxious presence and an advocate for Shalom
- o Offering leadership in large and small groups that facilitates dialogue (to discuss for understanding) and encourages healthy group process
- o Listening and responding with support to concerns, distress and questions
- o Educating about power dynamics and professional boundaries
- o Leading appropriate worshipful experiences and providing personal devotional materials
- o Working with the congregation to develop specific procedures/processes for use in future crisis situations
- o Being available to meet with individuals and staff as needed over a period of weeks or months
- o Empowering the congregation to continue their own healing process
- o Evaluating and reporting to the Bishop/Cabinet
- o Identifying ways to continue support of the congregation and the pastor(s) that follow

The Response Team does not perform any investigative function, nor does it offer disciplinary, judicial, legal counsel or opinion. The Response Team will focus on healing but is not a substitute for professional counseling.

Responsibilities of Response Teams

1. Response Teams will maintain confidentiality in their work with individuals and local churches.
2. Response Teams will coordinate their work with the district superintendent of the local church.
3. Response Teams will begin their work with the Pastor/Staff Parish Relations Committee of the local church.
4. Response Teams will convene meetings and hold worship services as appropriate and needed in the local church, including:
 - With staff members of the local church
 - With the church council
 - With the members of the local church in at least one church-wide informational meeting
 - With individuals and small groups, offering opportunities for discussion, one-on-one meetings, worship, and healing resources whenever possible.
5. Response Teams will provide templates for written communication tools, such as a letter to the congregation.
6. Response Team members will have basic training and orientation to this policy and should earn continuing education credits related to their responsibility.

Leadership of Response Teams

1. There will be a Conference Coordinator of Response Teams.
2. Each Response Team will be led by a Convener who may be lay or clergy.
3. Each Response Team may include at least one member who is licensed in psychotherapy.
4. Each Response Team should include lay and clergy members.
5. All members of a Response Team who are deployed must complete training as specified by the Texas Annual Conference Committee on Sexual Ethics.

Responsibilities of the Coordinator of Response Teams

1. The Conference Coordinator of Response Teams will be amenable to the Bishop and Cabinet.
2. The Conference Coordinator of Response Teams will convene all Response Teams, considering the importance of appropriate cultural concerns such as geographic, racial, gender, ethnic, language, lay and clergy composition and the need for professional counseling skills in the formation of the team.

3. The Conference Coordinator will name the Convener of each Response Team.
4. The Convener will consult with the Conference Coordinator regularly.
5. The Conference Coordinator will work with the Conference Committee on Sexual Ethics to provide basic training and continuing education for Response Team members.
6. The Conference Coordinator will serve as an ex officio member of the Conference Committee on Sexual Ethics.
7. The Conference Coordinator will attend denominational training for Response Teams.
8. The Conference Coordinator will develop networking opportunities with all recruited and trained Response Team members.
9. The Conference Coordinator will develop and provide a template for Response Team reports to the bishop and cabinet at the conclusion of an assignment.
10. The Conference Coordinator will maintain a directory of Response Team members including a brief profile and photograph of each member.

Responsibilities of the Convener of a Response Team

1. The Convener of a Response Team will contact all members assigned to the team prior to beginning work with a local church.
2. The Convener will meet with the Pastor/Staff Parrish Relations Committee, prior to or upon the arrival of the other Response Team members.
3. The Convener will provide contact information for the Response Team.

Deployment of Response Teams

1. Response Teams are deployed by and are accountable to the Bishop and Cabinet of the Annual Conference.
2. A Response Team will be deployed for six weeks to six months, with extensions to be negotiated.
3. Response Team members will be deployed within a driving distance of no more than 75 miles, if at all possible.

Training and support for Response Teams

1. Basic training for Response Teams will be provided by the Conference Committee for Sexual Ethics.
2. All persons trained and available for deployment on Response Teams will meet bi-annually for continuing education and collegial support.
3. Response Teams will be funded as designated.

Compensation

1. Response Team members, committee members, resource persons and other volunteers serve without compensation.
2. The Conference Coordinator of Response Teams will be contracted for administration and coordination of Response Teams for the whole conference.
3. Team trainers and long-term, specialized counselors may be compensated, at negotiated rates.

**BUDGET
RESPONSE TEAMS
2007**

Response Team Coordinator	
Annual Compensation (beginning in Sept)	\$2,500
Initial Training for Response Teams (Including honorariums and fees)	7,000
Materials	2,000
Travel expenses	3,000
Miscellaneous	500
<hr/> TOTAL 2007 Budget	<hr/> \$15,000

**ANNUAL BUDGET
RESPONSE TEAMS
2008-2012**

Response Team Coordinator Annual Compensation	\$5,000
Training for Response Teams (Including honorariums and fees)	3,000
Materials	3,000
Travel expenses	3,000
Unbudgeted expenses	1,000
TOTAL Annual Budget	\$15,000

PROCEDURES for RESPONSE TEAMS
Effective June 1, 2007

Introduction

The purpose of this document is to present clearly stated procedures that enable congregations to begin the process of healing after experiencing the trauma of clergy sexual misconduct. Response Teams will generally follow this outline of procedures.

Deployment of Response Teams

1. Response Teams are deployed by and are accountable to the bishop and cabinet of the annual conference.
 - a. The Bishop and/or Superintendent will request that the Conference Coordinator of Response Teams convene a Response Team and name a Convener.
 - b. The Bishop or Superintendent will brief the Conference Coordinator and/or the Response Team Convener about the situation in the local church.
2. Response Teams will be deployed for six weeks to six months, with extensions to be negotiated.
3. Response Team members will be deployed within a driving distance of no more than 75 miles, if at all possible.

Meeting with Pastor/Staff Parish Relations Committee (P/SPRC)

If the bishop, in consultation with the Cabinet, determines that a Response Team should be deployed to a local church, the District Superintendent will convene the Pastor/Staff Parish Relations Committee to introduce the Convener and, if possible, the members of the Response Team and to share with them the purpose of the Response Team and the scope of the Team's work with the congregation. (This may be done within the context of a meeting that the superintendent had already scheduled with the Pastor/Staff Parish Relations Committee.)

The purposes of this meeting with the P/SPRC include:

- To state the nature of the allegations made against the clergy person, and to share as much information as possible without violating The Book of Discipline of the United Methodist Church (TBOD) process and any guidelines given by the Conference Chancellor
- To outline the process dictated by TBOD
- To introduce the Convener of the Response Team and the members, if possible, or present their profiles
- To present the Conference's Response Team policy and review the services outlined in the procedures document
- To plan a congregational meeting
- To delegate responsibility for the preparation and mailing of the congregational letter
- To explain that those against whom complaints are brought are innocent until proven guilty
- To allow the Response Team Convener (if present) to explain some of the dynamics of grief and loss and to share some ideas about what the church can expect
- To provide a summary of actions already completed and share any future actions to be taken with the Pastor/Staff Parrish Relations Committee and for the Response Team

Meeting with Church Staff

In large membership churches and in churches with other clergy or lay professional staff, the bishop and/or district superintendent accompanied, if possible, by the Response Team Leader, should meet as soon as possible with the staff members of the church.

- To provide pastoral care to the staff
- To state the nature of the allegations made against the clergy person, and to share as much information as possible taking care not to violate TBOD process and any guidelines given by the Conference Chancellor
- To outline the process dictated by TBOD
- To introduce the Convener of the Response Team and the members, if possible, or present their profiles
- To enable the staff to provide supportive leadership for the work of the Response Team

Meeting with Church Council

As soon as possible following the meeting with the Pastor/Staff Parish Relations Committee and the meeting with the staff, the Bishop and/or District Superintendent accompanied by the Response Team Convener, should meet with the Church Administrative Council/Leadership Team. Members of the employed staff and any appointed clergy persons (not including the clergy person against whom the complaint is made) should be invited to attend.

The purpose of the meeting is much the same as with the Staff/Pastor-Parish Committee, but with the following goals:

- To share and perfect plans for a Congregational Meeting including some kind of refreshments, and childcare.
- To answer questions
- To allow persons the opportunity to express grief and hurt;
- To confirm meetings with the Bishop and/or District Superintendent and/or the Response Team Coordinator
- To make arrangements for child and youth care during the worship service when the superintendent and/or the bishop will discuss the complaint against the pastor and the resulting action
- To review the Response Team services.

Letter to the Congregation

Where possible, a letter may be sent to church members preceding the first Sunday or as soon as possible following the pastor's suspension or his or her vacating the pastoral office. The letter should be sent only to the members of the local church.

The purpose of the letter is as follows:

- To explain the pastor's suspension or absence from the church
- To explain how pastoral services and care will be continued in the absence of the pastor
- To announce when the Bishop and/or District Superintendent and/or the Response Team will be present for scheduled meetings to help the congregation through the crisis
- To explain services of the Response Team
- To announce any congregational and/or small group meetings already scheduled
- To provide information for contacting the interim pastor assigned, the P/SPRC Chairperson, the Response Team Convener, and the District Superintendent.

Sunday Presence of Bishop And/or District Superintendent

On the first available Sunday following the meeting with the Staff/Pastor Parrish Relations Committee, the church staff and the church council/leadership team, the Bishop and/or District Superintendent should be present in Sunday morning worship services. The Bishop and/or District Superintendent should be accompanied by the Response Team Convener or a member of the Response Team.

Just before the benediction, the superintendent and/or bishop should dismiss all visitors, children and youth, requesting all members to remain. The Superintendent/Bishop will announce to the congregation the filing of a complaint against the pastor and the resulting action. The Superintendent/Bishop will also announce the arrangements for the congregational meeting.

If the congregational meeting follows the last worship service of the day, refreshments or a light meal should be provided for those attending as a time of transition and nourishment. Childcare

should be provided. A separate meeting with the youth of the church can be planned in consultation with the youth director and a Response Team member.

The Bishop's or Superintendent's role is as follows:

- To state the nature of the complaint made against the clergy person;
- To give an overview of the process dictated by *The Book of Discipline of the United Methodist Church* and by policy of the Texas Annual Conference
- To begin pastoral care for the church and to lead the church in prayer
- To pray for and request prayers for the complainant and his/her family, but not to name the complainant publicly
- To pray for and request prayers for the pastor against whom the complaint has been made and his/her family
- To pray for and request prayers for the church
- Share the various means of support offered to the pastor and his/her family by the district and the conference
- To ask the congregation not to contact the pastor and his/her family until this matter has been resolved and to respect the fact that the pastor and his/her family have been instructed not to contact members of the congregation
- To introduce the deployment of the Response Team and to introduce any member of the team who is present
- To announce and describe the planned Congregational Meeting
- To announce, if possible, who will be preaching and providing pastoral care for the congregation
- To assure the congregation of the support of the district, the conference, and the bishop
- To request that the congregation be in prayer continuously in the days and weeks to come

The Response Team

The Response Team may be available to work with the congregation immediately following the worship service. If there is no congregational meeting following the last worship service, the Response Team will work with the Church Council and Pastor/Staff Parrish Relations Committee to plan the congregational meeting.

The services of the Response Team may include being available to meet with groups in the church for the purpose of helping individuals deal with their grief and emotions resulting from the charges and suspension of the pastor.

Printed information on the availability of the Response Team in the two weeks immediately following the worship announcement and the congregational meeting should be available at the next Sunday worship services or the earliest possible time.

Personal devotional materials should also be made available to all at the earliest possible time.

Congregational Crisis Meeting

The Congregational Meeting with the bishop/district superintendent should be scheduled as soon as possible following the meeting with the Pastor/Staff Parrish Relations Committee, but no later than one week following the worship service in which the announcement of the complaint and the resulting actions were made.

The time, place and an explanation of what will take place at the meeting may be announced in worship services and in the congregational letter.

The purpose of the Congregational Meeting is to:

1. Share the information that can be shared at that time
2. Share next steps, introduce the Response Team and share what can be experienced in a local church when such a crisis occurs
3. Give people opportunities to express grief and ask questions
4. Begin the healing process.

Support for all Parties

The Response Team is charged with offering support to all parties involved. The role of the Response Team member is that of a caring listener, never a therapist. The grief process is discussed, and the procedures in TBOD and the conference policy are explained.

Let the Healing Begin – The Staff/Pastor-Parish Relations Committee

The Response Team Leader will help members and leaders to understand the dynamics of interaction during and immediately following a crisis. S/he will help members and leaders understand what to expect, and how they can be helpful in the healing process. The following dynamics may be shared:

- Many of the emotions leaders and members of the congregation will experience the grief process. (It is important to give an overview of the stages experienced in the grief process.)
- A certain amount of conflict is inevitable when there are people with differing views about the charges and the clergy person charged.
- Some members of the congregation may have come to the church and joined because they were attracted to the clergy person who is now accused of misconduct. Others may have experienced him/her in an especially positive way. Some within these groups may find it difficult to believe that the accused clergy is capable of doing harm, even when there is compelling evidence. These persons may not only defend the clergy person vigorously, but they may even attack the person bringing the charges and those who believe the charges.
- Conversely, some congregants may have had negative experiences with the pastor; others may have direct knowledge of the clergy person's misconduct or may have been subjected to it. These individuals may be quick to believe the allegations and may be unwilling to wait for results of the investigation. They will have no difficulty believing the charges.
- Some congregants may be "in the middle." For them the conflict is worsened to the extent that they are drawn into one of the extreme positions. In the midst of conflict, those in the middle may elect to not attend services until the conflict is resolved or managed.

Continue the Healing in Small Groups and Other Settings

Members of the Response Team and those oriented by the Team may meet with the congregation in existing small groups of the church (for example: Sunday School classes, Bible studies, age level groups, interest and service groups) in order to help those present understand what to expect in the months ahead. It is recommended that one member of the Response Team have some background in working with youth and children and be capable of using age-appropriate means of communicating and helping children and youth to express their feelings.

Empowering the Congregation to Complete Its Own Healing Process

Every effort will be made to encourage the congregational leadership to assist in discerning and recommending the types of support the Response Team and/or trained mediators could provide in order to assist the church to regain a sense of shalom and control following the initial trauma. The goal is to move toward a timely, orderly withdrawal of the Response Team as the local church gains strength and skill in the healing process.

Self Evaluation of Response

The Response Team will meet with the Response Team Conference Coordinator for a self-evaluation of its work within two weeks of completing its active service in a church, if at all possible.

Final Report to Bishop

The Team Convener or the Conference Coordinator of the Response Team will make a written report to the Bishop following the Team's completion of active service in a particular church. The work of the Response Teams should be evaluated by the Bishop, Cabinet and Conference Board of Ordained Ministry at least annually. It is also recommended that the Response Teams and the Cabinet share in a joint educational experience each quadrennium.

Continued Support for Affected Churches/Clergy

The Response Teams understand that their intervention into the situation alone may not be sufficient to guide a church out of a crisis sparked by clergy sexual misconduct. This may be the case for a variety of reasons including pre-existing church conflict or the lack of the congregation's experience in dealing with conflict in a Biblical manner.

In those churches where an interim pastor is appointed, it is very important that the pastor receive appropriate information. The circumstances surrounding the appointment change should be shared with the interim pastor to the extent possible. Issues of confidentiality must be observed but disclosure of relevant information is important to good leadership by an interim pastor and next appointed pastors. Both interim pastors and next appointed pastors should receive continual support from the district superintendent and should have access to the district office when needed.

*Much of this document was adapted from the North Texas Annual Conference and the Central Pennsylvania Annual Conference procedures. We acknowledge our debt to their good work and our gratitude for permission to borrow and adapt.

**Questions, comments and suggestions concerning the procedures for Response Teams should be directed to the Conference Coordinator of Response Teams and/or the Texas Annual Conference Committee on Sexual Ethics.

The following RESOLUTIONS are from

The Strategic Mapping Team

Strategic Mapping Team 2007 Annual Conference Report

Background – The 2006 Annual Conference adopted a resolution instructing the Strategic Mapping Team (SMT) to visit the Districts in February – March 2007 to solicit feedback regarding (1) the Model for Ministry and (2) transition into new Districts, and to report findings and recommendations to the 2007 Annual Conference. The resolution also instructed the Team to recommend a process for ongoing evaluation and assessment of fruitfulness of the Model for Ministry and District structure, along with recommendations to enhance support of the Model for Ministry to Districts and local churches.

Process – The Bishop and SMT members conducted eight District meetings from March 4 – March 9. Significant numbers of clergy and laity participated in all meetings; total attendance Conference-wide was 941. The SMT met March 13 to review feedback and to develop recommendations for consideration by the Conference.

Findings – The tabulated feedback encompassed 63 pages with more than 1,200 specific comments.

Participants indicated strong positive feelings about the potential of the Model for Ministry, along with a sense it is still early for an evaluation. Level of understanding of and support for the Model for Ministry appears in some cases to be related to a District's progress in organizing under the new structure.

Strengths/potential most often mentioned are: new emphasis on accountability, willingness to try new approaches, and focus on the future.

Areas for improvement most often mentioned were need for:

- + Enhanced communication throughout the Conference
- + Additional participation in planning Conference youth programs
- + Greater support for and changes in developing camping programs
- + Continued support to Lakeview
- + Support for local churches including small churches

Resolutions

1. Communication – That the Core Leadership Team, Bishop, Center leaders, and Districts cooperatively develop an enhanced communications process during 2007-2008.
2. Youth Ministry – (1) That the Model for Ministry be changed to expand the Conference Council on Youth Ministry from nine members (one from each District) to 27 members (two youth and one adult from each District). Youth in each District elect four youth, two in grades 11-12 and two in grades 9-10. Each District Nominations Committee recommends two adults. The Conference Nominations Committee compiles a list of nominees from these recommendations, taking into account Conference-wide inclusiveness and diversity; (2) that the expanded Conference Council on Youth Ministry develop a new vision for conference youth ministry by the 2008 Annual Conference session.
3. Camping – (1) That the Center for Congregational Excellence, in conjunction with Districts and the expanded Conference Council on Youth Ministry, address detailed feedback about camp and mid-winter planning and operations; (2) that the Conference Council on Finance and Administration consider extending the current level of Annual Conference funding (\$250,000 – \$200,000 Annual Conference budget for District Camps and \$50,000 Fair Share) for an additional year.
4. Lakeview – Recognizing both the historic and future importance of Lakeview, (1) that the Conference appoint a task force, whose members will be recommended by the Conference Nominations Committee, to work with the Lakeview Board to develop

expanded long-term vision, facility and program development plans, and a financial plan for Lakeview; (2) that funding for this activity be sought from outside sources, (3) that a report be made to the 2008 Annual Conference session and a Final Report not later than the 2009 session.

5. Additional Action – That the Core Leadership Team, Cabinet, and Centers carefully study feedback and recommendations in their respective areas. Areas for special consideration include completing District transitions and continuing to develop support for local churches.
6. Assessment Process – That the Assessment Process recommended by the Strategic Mapping Team be adopted.

***The Following RESOLUTION IS from
The 2004 Delegation of the Texas Annual Conference***

**Resolution for
Endorsement of Episcopal Candidates**

Whereas, the goal of the endorsement process is to lift up the candidate(s) from within our annual conference who is (are) best qualified to serve the South Central Jurisdiction as an Episcopal leader, and

Whereas, we seek to follow the leading of God's Spirit in sharing open, honest dialogue and both clergy and laity, creating consensus, and offering unified support of the endorsed candidate(s).

Be it resolved,

1. The first meeting of the delegation, to take place within 60 days of the close of Annual Conference, shall include a consideration of the current and future needs of the jurisdictional and the General Church in episcopal leadership. At the end of these considerations, the delegation shall receive nominations of clergy members who will seek the office of bishop for the next, regularly scheduled election. The delegation shall not entertain a motion to close the nominations but shall receive all nominations until the first meeting is adjourned. These clergy shall prepare and distribute resumes and brief statements for review by delegation members before the second meeting of the delegation.
2. At the second meeting of the delegation, those nominated would be invited to offer their statements. At the conclusion of those statements, the delegates present shall vote for three nominated clergy by secret ballot. Those receiving a minimum 60% of the votes cast will continue the endorsement process. There shall be a maximum of seven ballots taken.
3. At the third meeting of the delegation, in-depth interviews of each of the nominees receiving 60% of the votes cast will take place. At the end of those interviews, the delegation will determine the number of candidates it will endorse. Once the number is determined, delegates present shall cast the final vote for endorsement. The standard for endorsement is a minimum 80% of the votes cast.

REPORTS TO THE ANNUAL CONFERENCE

Assistant to the Bishop Rev. Richard W. Goodrich

The Assistant to the Bishop focuses on assisting the Bishop to implement the Model for Ministry of the Texas Annual Conference including the vision, the mission, the key drivers, the core values, and the new structure. The Assistant to the Bishop helps the Center Directors and District Superintendents to resource pastors and congregations for the purpose of implementing the following TAC priorities: clergy excellence, congregational excellence which includes transforming existing congregations and starting new congregations, connectional ministry, and missions. For the Conference year 2006-2007, the Assistant to the Bishop has focused on the following areas:

The Core Leadership Team

- served as the Task Force convener for the resolutions on Nominations, Assessments, and Resolutions.

Chair of the TAC Annual Conference Planning Team for 2007.

Disaster Response Team

- developed a TAC Disaster Response Manual.

TAC Hispanic Ministries Team

- working on a Conference wide plan for Hispanic Ministries.

Assessments

- developed a Cabinet Assessment process.

Values Integration

- developed a program to integrate the new vision, mission, key drivers, and core values into the TAC Cabinet, United Methodist Service Center Staff, and the pilot churches for the transforming congregations program.

Connecting with the new Districts

- touring all of the new Districts with the Center directors in the fall of 2006.
- touring all districts with Bishop Huie and members of the Strategic Mapping Team and Core Leadership Team to hear feedback on the new Model for Ministry.

Expanding the international mission work of the TAC

- accompanied the Bishop and six other members of the TAC to Cote d'Ivoire to explore the viability of a covenant partner relationship with the Cote d'Ivoire United Methodist Church.

The Assistant to the Bishop of the Texas Annual Conference continues to work with the Bishop to cast and keep the vision and mission of the Texas Annual Conference.

DISASTER RESPONSE TEAM-Mary Ann Hodges, Chairperson

The international organization UMCOR (United Methodist Committee on Relief) continues to be a leading ministry of compassion and relief whenever and wherever tragedy or disaster strikes around the globe.

The first task of this committee in 2006 was to choose a new name for itself. The national organization has requested that no local organization use the name "UMCOR" for liability issues, so our group decided on Texas Annual Conference Committee on Relief (TACCOR). Please help us to spread the usage of this new name.

TACCOR has completed the first update in 10 years of the Conference Disaster Response Plan. It has been submitted to the Assistant to the Bishop and we hope the plan will be approved by the Bishop very soon.

TACCOR has continued to provide Early Responder Training to interested individuals and congregations across the conference. Over 200 individuals have completed Early Responder Training. Two congregations, The Foundry and Sugar Land (both in the Houston area) have formed Early Responder Teams with over 20 individuals trained and a fully outfitted equipment trailer for supporting Early Response to the future disasters in our Conference. We hope other churches and/or geographical locations will form additional teams over the next year.

TACCOR is also recommending that all United Methodist Churches across the conference be diligent in getting prepared for future disasters. There are many great programs available to support disaster preparedness, if your congregation needs assistance in finding one of these programs, please contact any member of TACCOR.

All local congregations are urged to participate in the annual "One Great Hour of Sharing" offering. This is the major source of funding for the administrative and staff costs of UMCOR and is THE BIG REASON behind our boast that every dollar given for disaster/emergency relief goes 100% to the designated need. For more information, visit <http://gbgm-umc.org/umcor/oghs.stm>.

ASIAN MINISTRIES

With some of the fastest growing Asian communities in the United States, the Texas Conference is working to strengthen existing Asian churches, as well as, start new faith communities within our borders. Currently we have multiple Korean and Pilipino congregations and Chinese and Vietnamese mission congregations. We are working to bring Vietnamese missionaries, who are supported and trained by the General Board of Global Ministries, into the city of Houston to establish new Vietnamese faith groups.

HISPANIC MINISTRIES-Rev. Silverio Sanchez, Chairperson

With a new structure in our conference there are new challenges, new ideas and a huge task to reach out to the millions of Hispanics living within the borders of our conference. Therefore, the committee is working in a new comprehensive plan to be presented at our annual conference this year.

Our plan will focus in presenting a better understanding of the different cultures and sub-cultures encompassed within the people generally called "Hispanics" or "Latinos". In addition, it will provide a clear definition of the term "Hispanic Ministry" along with different ministry models and ways of implementation. Our plan's goal is in helping those interested in Hispanic ministry to accomplish a successful mission to the Glory of God

Under the authority of Bishop Huie, and with the approval of the Board of Higher Education in Nashville, our conference has started an undergraduate theological extension program sponsored by *Seminario Metodista Juan Wesley*, from Monterrey, Mexico with the goal of raising and educating our own Hispanic leaders. I am so pleased to inform that already, leaders and pastors from different parts of the United States have been attracted by our program.

I am excited about the future of our conference's Hispanic ministry and am looking forward to excellent results among this community for the kingdom of God.

Core Leadership Team

The Core Leadership Team was created by Resolution at the 2006 Annual Conference. Purpose of the Core Leadership Team is to implement decisions of the Annual Conference between Conference sessions in accordance with our adopted mission, vision, and core beliefs. Members are:

District

Central North- Mr. Oscar Garza
Central South- Rev. Kenneth Levingston
East- Rev. Tommy Williams
North- Mr. Jerry Massey
Northwest- Ms. Stephanie Griffin
South- Ms. Brenda Marshall
Southeast- Mrs. Minta Clark
Southwest- Rev. Cynthia Harvey
West- Rev. Jerry House

At Large

Bishop Janice Riggle Huie (Chair)
Rev. Richard Burnham (Cabinet, Southeast)
Ms. Leah Taylor (Conference Lay Leader, Southwest)
Rev. Jim Jackson (At, Large, Central South)
Mr. Jack Steel (At Large, Central South)
Rev. Jacqueline King (At Large, Southeast)

Ex Officio

Rev. Elijah Stansell (Center for Connectional Resources)
Rev. Karen Dorris (Center for Congregational Excellence)
Ms. Eleanor Colvin (Director of Communications)
Rev. B. T. Williamson (Center for Clergy Excellence)
Rev. Richard Goodrich (Assistant to the Bishop/Center for Missional Excellence)

Key activities of the Core Leadership Team during the last year have centered on three charges from the 2006 Annual Conference:

1. Make decisions between sessions of the Annual Conference consistent with the mission, vision, and core beliefs and directives of the Annual Conference and the Book of Discipline

- + Provided consultation and oversight to Center leaders in transition to the new structure adopted in the Conference Model for Ministry.
- + Recommended revised rules for consideration by the Annual Conference.
- + Appointed a work group to consult with the Council on Finance and Administration in development of the 2008 proposed budget.
- + Approved a program for congregational transformation including provision of consultant resources.
- + Established a program of District visits to assess functioning of the Model for Ministry and to recommend possible improvements for consideration by the Annual Conference.

2. Have authority from the Annual Conference to hold Conference bodies accountable for action.

- + Adopted measurable objectives for the Core Leadership Team.
- + Monitored Center activities monthly, and provided input on Center opportunities, challenges, and strategies.
- + Adopted a system to gather congregational reports on the four Evidence of Fruitfulness measures.
- + Recommended a revised Annual Conference organizational relationships chart.
- + Adopted revised Resolutions process for the Annual Conference.

3. Create a culture of accountability within the Conference by developing an ongoing process of strategic planning, goal setting, and annual reporting to the Annual Conference.

- + Provided ongoing guidance in transition to the new Model for Ministry.
- + Recommended enhancements to Center activities as necessary.
- + Adopted an assessment process for the Conference.

The Core Leadership Team is a servant leadership group. Its activities are under girded with fervent prayer and diligent study of Scripture.

Centers of Excellence Reports

Center for Clergy Excellence Rev. B.T. Williamson, Director

Mission

The 2006 Texas Annual Conference created the Center for Clergy Excellence to foster an environment of support and accountability that continuously moves the clergy of the Annual Conference toward excellence. The Center empowers clergy with resources and skills to equip congregations to make disciples for Jesus Christ for the transformation of the world to the glory of God. Leading clergy to be Spirit-led, faithful, and fruitful is the Center's goal. When Conference clergy--guided by our Conference core values--are leading vibrant congregations to change lives and reshape futures for Jesus Christ, the Center will be fulfilling its mandate. The Center's four primary tasks include affirming the giftedness of each clergy; equipping clergy with resources for professional development; recruiting gifted candidates for ministry; and providing resources for clergy to develop lay leadership in congregations.

Organization

In its first year, the Center continued the work mandated by *The Book of Discipline* by coordinating Pension and Health Benefits, the Board of Ordained Ministry, Equitable Compensation, the Committee on Investigation, the Administrative and Review Committee, the Joint Committee on Incapacity, and Extension Ministries in a new area named **Clergy Support Ministries**. Additionally, the Center created three new Ministry Areas--**Clergy Development and Spiritual Formation, Clergy Accountability, and Clergy Recruitment**.

Process

Along with the Center, a Transition Leadership Team and three new Ministry Area Teams were created at Annual Conference 2006. During Summer 2006, the Director and Associate Director met individually and in three extended group sessions with the Transition Team and the Facilitators of all three new Ministry Areas to further discern, define, and prioritize objectives in the new Ministry Areas. Then, in Fall 2006, the three new Ministry Area Teams began meeting, creating 14 task forces of gifted clergy and laity to plan and implement priority objectives. The reports of those three new Ministry Area Teams--along with the reports from Clergy Support Ministries, including Pensions and Group Health Benefits Committees, the Board of Ordained Ministry, and Equitable Compensation Committee-- follow.

CLERGY ACCOUNTABILITY-Rev. Carol Turner, Facilitator

In order to aid our clergy to be well equipped for ministry, the Clergy Accountability Ministry Area convened the following four task groups. Their recommendations follow:

Personality and Leadership Style Assessment Task Force

1. Utilize the Birkman Assessment, with an annual subscription of \$1,500 and \$59 per person.
2. Recruit and train five debriefers initially.
3. Collaborate with the Center for Congregational Excellence.
4. Strongly recommend that the Board of Ordained Ministry incorporate Birkman into Developing Connectional Ministry (DCM).
5. Ensure that the assessments are confidential and voluntary.

"360-Type" Assessment Task Force

1. Create a process that can be used by clergy and those seeking self-knowledge in a personal retreat (typically during sabbaticals and experienced clergy renewal retreats) that assesses both skills and values. The results would be confidential and aimed at enhancing clergy health and wellness. The process will have trained coaches as well as a system of follow-up.
2. Consider at least three 360-type assessment companies.

3. Evaluate the assessments and the organizations and determine their roles in administering and interpreting the results.
4. Clearly state purpose and boundaries, with particular attention to the need for this to be confidential and voluntary, including choices and follow-up, with the assurance that this is a "safe" place.
5. Identify pastors for a Pilot Program to begin after Annual Conference.

Strategies and Resources for Clergy Remedial Help and Exit Task Force

1. Develop a Grievance Procedure for the local church level and distinguish between stage 1 grievance and an actual complaint. This is being piloted in the East District.
2. Review and initiate the formal Compliant Form.
3. Recommend the continued use of the TRIAD process currently used by the cabinet.
4. Add the Professional Growth Plan in order to follow up after the TRIAD process.
5. Ensure that the Growth Plan is moved to the Personnel files.

Annual Assessment Review Task Force

The Task Force reviewed the Self-Assessment Inventory Year B and recommends that the Conference go ahead with the current evaluative tool through Self-Assessment C to complete the cycle. Review and editing of the instruments would begin next year.

CLERGY DEVELOPMENT & SPIRITUAL FORMATION- Rev. Roy James, Facilitator

Our purpose has been to begin developing systems that help clergy grow in their theological understanding, in their prophetic leadership, and in their spiritual, emotional, and physical well-being.

A. Intentional Accountable Relationships

Through study, we realized that clergy in accountable peer relationships report experiencing more satisfaction in ministry; fewer symptoms of fatigue, anxiety, and burnout; and fewer complaints of congregational dissatisfaction. We recognized that Spirit-led, faithful, and fruitful, clergy must be in relationship. Therefore, the Clergy Development and Spiritual Formation Team strongly recommend that all Conference clergy commit to become part of a group or one-to-one accountable relationship.

The Clergy Development and Spiritual Formation Team is offering a menu of options for clergy at this Annual Conference. It is our hope that many clergy will choose to become a part of an accountable relationship and begin these groups this summer. We recommend that all clergy be in an accountable relationship by the end of 2007 with the expectation that all clergy report their participation in an accountable relationship by the end of 2008.

A peer group is defined as: any self-selecting self-directing group that meets regularly to hold one another accountable, recognizes a facilitator and list of group members, and shares a written covenant of confidentiality.

Options for Accountable Relationship include:

Covenant Discipleship Clergy Peer Groups

Covenant Discipleship groups emphasize accountability to spiritual disciplines. Over 25 volunteer Conference clergy facilitators were trained this past Spring, and groups will begin meeting between July and September 2007. Training options for leaders will continue in depth with the Wesleyan Institute to be offered at Klein UMC in October 2007.

Professional Disciplines Clergy Peer Groups

Coach Facilitated groups emphasize professional disciplines and the sharing of personal and professional issues and concerns, and include a continuing education element. Nine Conference clergy facilitators were trained this past Spring, and groups will begin meeting between July and September 2007.

Existing or Other Groups

Many Conference clergy are already participating in peer groups, and some may want to start a different type of group. These existing or other groups will meet the Conference expectation of accountable relationship if they meet regularly to hold one another accountable, recognize a facilitator and a list of group members, and share a written covenant of confidentiality.

Colleagues

Some Clergy prefer to be in a one to one relationship instead of a group. To help provide for this, the Development and Spiritual Formation Team trained Conference clergy volunteers to become “Colleagues”. Colleagues were trained this Spring and will be available to facilitate these relationships beginning in July 2007. These Colleagues and the clergy with whom they are in relationship will become “groups of two”, will meet regularly—either in person or by phone or email, and will share a written covenant of confidentiality.

Counselors, Coaches, Mentors, or Spiritual Directors

Some Clergy prefer to be in a one to one relationship with a counselor, coach, mentor or spiritual director instead of a Conference-trained Colleague. These relationships will meet the Conference expectation of accountable relationship if the counselor, coach, mentor, or spiritual director and clergyperson meet regularly—either in person or by phone or email, and share a written covenant of confidentiality.

B. Spiritual Formation

In the future, in order to help clergy meet the annual conference 10 hour requirement for Spiritual Formation, the Clergy Development and Spiritual Formation Team will be working to develop a variety of opportunities for spiritual formation, such as: developing resources and events for learning the spiritual disciplines, Sabbath, small group study, promoting retreat locations, and promoting clergy sabbaticals. The new Sustentation Fund will fund Transitional Interim Ministers for short term clergy sabbaticals.

C. Continuing Education

In the future, in order to help clergy meet the annual conference 20 hour requirement for Continuing Education, the Clergy Development and Spiritual Formation Team will continue to work to provide a variety of affordable, geographically accessible opportunities tailored to meet clergy needs, offered at various times and in a variety of settings. In January 2007, Dr. Gerald DeSobe offered two Center-sponsored Continuing Education seminars in Tyler and Houston on “Dealing with Problem Parishioners.” In October 2007, the Center will co-sponsor the Wesleyan Institute at Klein UMC in October 2007.

The Academy Beyond Seminary

In future years, an *Academy Beyond Seminary* will be developed to teach skills typically needed by pastors in their first five years of Conference service. The seminars may also be available to all Conference clergy.

Journey to Renewal

In future years, a model of renewal and self awareness will be developed to help experienced clergy.

Seminar for Pastoral Itineration/Relocation and Congregational Itinerancy Readiness

In 2008, this seminar will be developed to meet every spring for those pastors and congregations where there is a pastoral change. It will deal with the issues of pastoral moves and the congregational receptiveness.

D. Enrichment Opportunities

Marriage Renewal Retreats

The Center will continue to communicate and coordinate three-day Marriage Renewal Retreat opportunities each Spring and Fall for clergypersons and spouses in conjunction with The Soderquist Center for Leadership and Ethics.

Young Clergy Events

The Center is dedicated to sponsoring events to bring Young Clergy together, and to help them express their unique needs and perspectives to Conference leaders. In fall 2006, our Young Clergy gathered for breakfast at the Clergy Gathering, then for lunch and conversation with Cabinet members at First UMC, Conroe. In 2008, Young Clergy are being invited to a retreat at Camp Allen; dinner at Annual Conference; and a forum with Bishop Huie at the Clergy Gathering in September.

Single Clergy and Clergy Families

In future years, the Clergy Development and Spiritual Formation Team will also work to offer enrichment opportunities for single clergy and clergy families.

CLERGY RECRUITMENT-Dr. Chap Temple, Facilitator

The question was asked long ago, but it remains a vital one today: *“how can they believe in the one of whom they have not heard? And how can they hear without someone preaching to them?”* For generations, United Methodists have indeed heard the good news through countless women and men who have been called to preach. Yet over the last twenty years, cultural trends have created, if not a crisis, then at least a clear concern when it comes to cultivating a calling, namely, a decreased flow of younger people into ordained ministry. Whereas twenty years ago, over 3200 elders were under the age of 35, representing some 15 percent of the total across Methodism, today only about 850, or less than five percent, fit into that age range, even while the total number of elders has decreased over the past two decades by about 15 percent. Likewise, within our own annual conference, the average age of clergy persons entering into full membership has risen from 27.3 years prior to 1986, to 40.4 years during the quadrennium which began this decade. And by one estimate, some 60-70% of our active clergy right now will retire within the next 15 years.

What’s behind these trends? Obviously, some of it is purely demographical—baby boomers are growing older, all the Grecian Formula and Retin-A notwithstanding. But more than just that, at least according to a national study done by the General Board of Higher Education and Ministry, part of it is that the unprecedented growth in material prosperity within the U.S. over the past five decades has made more altruistic forms of service, other than in short-term settings, less attractive to many young people. Others will suggest that the broader cultural shift towards prolonged adolescence, or “adulthood” as some call it, has also created a generational difference in the matter of when many younger people are ready to actually settle into any kind of vocation or career. And still others have noted the task of leading congregations today is more challenging than ever, while at the very same time, the process of candidacy is more arduous and costly than ever before.

So what’s the answer? In part, we have been saved over the past twenty years by the strong contribution of many second-career pastors, who have not only increased our numbers and helped to fill our pulpits, but who have also brought a wonderful wealth of knowledge and experience from their prior occupations. Yet even with their substantial contribution, the church remains in need of younger individuals responding to God’s calling who can bring their own generational perspectives as well as offer the possibilities of much longer times in service. Towards that end, thus, the Clergy Recruitment task force of the Center for Clergy Excellence has been working in several key areas to encourage a new culture of calling and a clearer pathway towards the vocation of ordained ministry.

First, we are **developing resources** that we hope can be useful both to congregations and to student ministries in fostering a calling culture among our members. Carla Badgett Shield is leading our efforts in that area and we hope to make available to you some of the results soon. We likewise are planning to encourage a broader participation from within the Texas Annual Conference in the biennial “Exploration” event sponsored by the general church in the fall of 2008, with a view towards creating our own conference event in the following year.

Second, believing that nothing can excite people about ministry more than actually doing ministry, we have created a new pilot program current known as our **College Pastoral Internship Project**. Thanks to a generous grant from our friends at Moody Memorial First UMC, we have been able to select congregations and young people who have completed at least one year of college for a summer of service in which they will shadow pastors, participate not just in youth programs but in all kinds of ministry opportunities, and reflect upon those experiences in a shared community with others who are likewise considering just the possibility that they may indeed be called to a lifetime of ordained ministry. The grant will enable us to offer those young people a stipend for the summer, so that they will not have to work otherwise, as well as offer to the congregations some enthusiastic if somewhat “raw” talent for only the cost of providing housing where needed. We are excited indeed about this project and think that it has the possibility of becoming a truly transforming experience in the lives of many.

Third, on the principle that the reason why you rob banks is because that is where the money is, we are looking to our seminaries where some women and men already are, but they are as yet undecided as to the setting for their future ministry. Under the leadership of Tom Teekell, our **Seminary Campus Visits** task force sent earlier this spring twenty-two conference representatives to six different institutions. Tom and his group are calling that holy work by the term “ambassing,” for that’s what both the district superintendents and younger clergy whom we have asked to share in that task are doing, as they not only encourage and build relationships with our current candidates, but also serve as “ambassadors” for this conference to others, spreading the good news of opportunities to come to the Texas Conference which we are suggesting is indeed “big enough for a lifetime of ministry.”

Fourth, to address the question of costs, a third task force from our ministry area has been at work to identify a strategy for helping viable younger candidates address the issue of how to **get trained without getting drained**, at least financially so. Towards that end, Royce Thompson and his group are recommending a package of encouragement incentives to enable candidates wishing to

serve in our conference the opportunity to complete seminary without crushing student debt loads. Our hope is to be able to offer financial assistance to our best qualified candidates under the age of 35 through tuition reimbursements for those serving within our conference over their first five years of service. This proposal has been brought before our conference leadership and we are seeking a source of financial support for them through many of our foundations and other generous givers.

Finally, we are exploring ways in which our conference can be vigilant and **intentional in the appointment of young clergy** into pastoral experiences that can accelerate their development in ministry, by identifying appointment opportunities for specialized ministry in such areas as youth ministry, Christian education, missions, pastoral care and counseling, administration, new church starts, church transformation and large church leadership.

In short, it is our hope that many shall indeed be able to hear the call of the Lord to serve His people through ordained ministry within our conference, and we offer ourselves in service towards that end.

BOARD OF ORDAINED MINISTRY-Dr. Chuck Simmons, Chairperson

The charge of the Board of Ordained Ministry is central to the mission of the Texas Annual Conference: *“to recruit, equip, nurture, distill and deploy spiritual leaders for the church.”* Our officers and members engaged in this critical work again this year with great energy, diligence and an eye to the future. We prepared persons to enter professional ministry, helped others to grow more effective and enforced standards of accountability. The Board also held training events for District Committees of Ministry and Mentors, sponsored gatherings for the Orders, made needed improvements in the areas of candidate testing and governing policy, plus initiated a new enlistment program.

Noteworthy among other accomplishments is the actualization of the *Dove System*, a pioneering computer platform that serves the Conference through the Office of Ministerial Records. Everyone can now access accurate and pertinent information about individual candidacy, clergy status, policies and procedures in a safeguarded, user-friendly way! Also, in concert with the *Center for Clergy Excellence*, the development of the comprehensive program to increase ministerial effectiveness continues, along with the implementation of the Sexual Ethics Policies.

In the year ahead, goals are to increase the nurture and measure of probationary candidates via “In-Parish Visits” and a review of the Connectional Development Team program.

I invite the Conference to share with me deep appreciation for the sacrificial gifts of time, talent, energy and effort made by Board members and especially the Executive Committee on behalf of the Church this year. It is a professional privilege and personal pleasure to participate in Christ’s work with each of them.

EQUITABLE COMPENSATION-Rev. Jay Jackson, Chairperson

The Commission on Equitable Compensation (COEC) is charged by the *2004 Book of Discipline* (§ 624.2) to:

support full-time clergy serving as pastors in the charges of the annual conference by:

- a. recommending conference standards for pastoral support;*
- b. administering funds to be used in base compensation supplementation; and*
- c. providing counsel and advisory material on pastoral support to district superintendents and committees on pastor-parish relations.*

The COEC has much to celebrate in our continued support of the Texas Annual Conference clergy.

The COEC was able to coordinate and administer 119 moves (116 regular and 3 moves to student pastorates) at a cost of just under \$283,000 in 2006. As of 2006, the maximum allowable weight has been increased to 14,000 pounds to accommodate the move of living area furniture, which was transitioned to clergy ownership by the end of 2006. An additional increase to 16,000 pounds will take effect January 1, 2008 as clergy will be required to own all of their furniture by the end of 2008.

In 2006, the COEC provided \$278,010 in salary/pension supplementation and commuter allowance assistance, a decrease of \$205,302 from the support provided in 2005. By addressing the major factors attributing to the drastic increases in equitable compensation support from 1999-2004, the COEC, the cabinet, and the Conference Office have worked cooperatively to be fiscally responsible to the Conference while providing necessary support to pastors and local churches. The elimination of exceptions to COEC guidelines, stricter enforcement of the 5-year rule for equitable support, adjustments of pastoral appointments, and realignment of charges should continue to reduce the financial burden of our Conference to ensure equitable compensation for all of our pastors.

Thanks to the faithful support of Annual Conference churches to pay \$311,603 of the COEC apportionment in 2006, the Equitable Compensation Fund² saw a surplus of \$33,593 in 2006, which more than cut half of the deficit in the Fund entering 2006. However, the anticipated rising costs of relocations, the inability of many charges to make significant progress in being self-sufficient in their clergy support, and the necessity to reduce apportionment loads on local congregations require that the COEC continue to take necessary steps to work with the Cabinet, the Conference Centers, the District Offices, and the Local Church Charges to reduce equitable support costs and bring greater fiscal responsibility to our support of clergy throughout the Annual Conference.

The COEC, working under the direction of the Center for Clergy Excellence and in cooperation with the Center for Connectional Excellence and the District Administrative Assistants, has automated and streamlined a previously difficult and cumbersome administrative process to provide equitable support to pastors meeting the guidelines. The new automated approval process was implemented in 2006 and is fully functional for 2007. The COEC offers special thanks to Ivan Krowl for his tireless efforts to help us automate our approval process.

On December 31, 2008, we will undergo the final of four stages of transition of clergy ownership of parsonage furniture with the transition of dining area furniture to the clergy. Please contact the Chair of the COEC or your District Administrative Assistant with any questions or clarifications concerning this transition.

The COEC is appreciative of the cooperative support it receives from the Annual Conference in its challenging and vital role.

Key For Abbreviations Used in this Report:

- FT = Full-Time Conference Member—a clergyperson voted into active relationship to the Annual Conference (AC), who serves full-time as a pastor in a given appointment. An FT may be an elder in full connection, a probationary member (PM), or an associate member (AM). However, probationary members serving student pastorates while attending seminary will be considered as Seminary Student Local Pastors (SLP) for COEC purposes.
- PT = Part-Time Conference Member—a clergyperson not living at a charge and/or one who receives earnings from other employment.³
- FLP = Full-Time Local Pastor—a clergyperson classified as a full-time local pastor by recommendation of a district committee on ordained ministry (DCOM) and serving as a pastor of a charge, under Episcopal appointment. A full-time deacon serving as the senior pastor of a charge under itinerate appointment may also qualify as a full-time local pastor.
- PLP = Part-Time Local Pastor—a clergyperson classified as a part-time local pastor by recommendation of a DCOM and serving as a pastor of a charge, under Episcopal appointment.
- RP = Retired Pastor

STUDENT PASTORS⁴:

- SLP = Seminary Student Local Pastor—a clergyperson serving a pastoral appointment while enrolled in a seminary approved by the UMC's University Senate. (A seminary load of 12+ hours automatically results in a clergyperson being classified as an SLP.)
- USP = Undergraduate Student Local Pastor—a clergyperson serving a pastoral appointment while enrolled in undergraduate school.

² Under Center for Clergy Excellence (does not include Clergy Relocation Fund)

³ In consultation with the PT and the BOM, the Cabinet determines whether the location of a PT's residence (including whether a parsonage meeting the Conference standard is available to the charge), and the extent of outside employment categorizes the PT as serving 25%, 50%, or 75% of full-time service. *PTs at 25% of full-time service are NOT eligible for EC.*

⁴ COEC does not reclassify SLPs or USPs who terminate their enrollment in the middle of a conference year. Any change in classification must be started by the DS as acted on by the DCOM. Any change of benefits due to being reclassified must be done when the clergyperson no longer meets the criteria set out in the 2004 Discipline for classification as a student.

LPA = Lay Person Assigned—any lay person sent by a DS to a local church to provide ministry in any capacity.
 DS = District Superintendent
 DCOM = District Committee on Ordained Ministry
 BOM = Conference Board Of Ordained Ministry
 COEC = Commission on Equitable Compensation
 EC = Equitable Compensation
 CRC = Clergy Relocation Committee

I. HOW THE REPORT IS SET UP

This report consists of five main sections:

- I. An outline of how the Report is set up
- II. A guide to what EC is, its benefits, and how you can qualify for it
- III. A guide to moving procedures and expenses for conference clergypersons
- IV. A guide to housing and parsonage standards for the conference
- V. A transition plan for parsonage furniture ownership

The Notes and Footnotes Are Important

COEC wants this report to be user-friendly. Thus, we've attempted to give you the information you need in an easily read format. Taking out the clutter means we've moved exceptions that pertain to specific groups and situations into footnotes.

Simply put, the Notes and footnotes are important and could pertain to *you!* Please read them.

II. UNDERSTANDING HOW EQUITABLE COMPENSATION WORKS—THE NUMBERS AND THE BENEFITS

What Makes Up Your Salary

“Salary” means all compensation paid by a charge as lined out on the Total Compensation Worksheet (completed at Charge Conference) PLUS any other compensation/assistance from denominational sources⁵:

$$SALARY = Total Compensation + Other Denominational Compensation$$

Minimum Salary (MS)

EC is based on what is known as “minimum salary” (MS) The minimum salary for each clergyperson category is a percentage of the Conference Average Compensation (CAC) from the previous year for that category. For 2007, CAC is:

Conference Average Compensation (CAC) = \$63,970

The MS for each clergyperson category is based on the following percentage:

2008 Minimum Salary (MS)

FT—63% of CAC, which = \$40,301

FLP—54% of ACS, which = \$34,544

SLP—48% of ACS, which = \$30,706

USP—43% of ACS, which = \$27,507

EC Pays up to 22% of MS and Pension; Charge MUST Pay 78% of MS and Pension

The goal of EC is to help charges, for a *maximum* of five years, pay the MS and Pension for their clergyperson.

For a charge to receive full EC assistance, it MUST pay 78% of the MS and Pension for each category:

78% of Minimum Salary Means:

\$31,435 for FTs⁶

\$26,944 for FLPs

\$23,951 for SLPs

\$21,455 for USPs

5 The total of church-related compensation/assistance CANNOT be more than any offered EC.

6 For an FT in good standing, the MS will not fall below the 78%.

EC provides, for a *maximum* of five years, the other 22%, to bring the clergyperson up to MS. This 22% also includes EC paying 22% of the charges' responsibility for the clergyperson's pension. The Charge is responsible for paying 78% of the clergyperson's pension.

Note: Deacons in Full Connection (except when serving as local pastors under itinerate appointment) and PLPs are NOT eligible for EC.

EC Is Available For A Maximum of Five Years

EC is designed to help charges grow through the benefit of having the appropriate pastoral staffing even though they might not initially be able to afford it. The goal is to enable charges grow in ministry and mission so that they can, after a *maximum* of five years afford to pay the full MS for their clergyperson without any assistance.

Although an exception to this five-year rule may be granted by a *unanimous* vote of COEC and the Cabinet, in the past few years, these exceptions have become so many that they are depleting COEC funds for the assistance of charges/churches who meet all requirements. In order to properly steward its resources, COEC will hold more steadily to the five-year maximum.

To apply for EC assistance once your charge is past the five-year limit, follow the procedures listed under "**How to Request An Exception to EC Standards**" below.

How Your Charge Can Qualify for EC—Pay Your Clergyperson, Apportionments, and Pension

To qualify for EC, your charge must pay 78% of your clergyperson's salary and pay out 100% on:

- World Service and Conference Apportionments,
- The Texas Conference Administration Fund,
- The Conference Claimants Fund,
- The Episcopal Fund,
- The District Superintendents Fund,
- The Equitable Compensation Fund,
- The Ministerial Education Fund, and
- The hospitalization Insurance Fund.

Partial payment of these apportionment funds results in a pro-rata reduction of EC (including commuter allowance) for your charge.

Further, charges are required to pay 78% of their responsibility for the clergyperson's pension.

Note: ALL requests for EC funding and benefits MUST be accompanied by proof of apportionment and pension pay-outs. Incomplete requests will be returned for the needed information.

WHEN To Request EC for A Charge

For clergypersons to receive to receive EC in a timely fashion, the earlier the pastor and charge turn in the request to the DS and the quicker the DS delivers the request to COEC the better.

Recent trends show that, unfortunately, most EC requests are sent to COEC between December 25th and February 1st, which, of course, means that clergypersons' in need of EC salary don't receive it until mid- to late-February at the earliest. *The best way to address this problem is to send your request as early as possible.*

HOW To Send EC Requests

COEC will accept only District Endorsed EC requests; The EC request must be processed through the electronic compensation administration system. The district endorsed requests may be forwarded by mail or fax to the Chair of the COEC or duly designated alternate.

Unfortunately, the trend of faxing and emailing information not using the prescribed EC Request Form has led to requests that are inconsistent in format and lacking needed information, requiring them to be sent back and thus further delaying the disbursement of EC funds to those who need them.

Therefore, COEC will work solely from an approved EC Request Form approved by the appropriate District Superintendent.

How to Request An Exception to COEC Standards

Because of the need to properly steward EC funds, COEC is committed to closely follow its standards for qualifying charges to receive EC. However, a charge may request special consideration by delivering to COEC the following items (in addition to your standard required EC request materials) *no later than January 15th*:

1. A written request by the DS and pastor that describes why a waiver of COEC standards is justified.
2. A letter written by the pastor of the charge and co-signed by the Administrative Board/Council chairperson, that details the reasons the charge needs special consideration, specifically addressing the areas of deficiency, such as non-payment of required apportionments, salary under the minimum required, and so on.
3. An annual financial statement that clearly reports the offerings of the church(es) and all the assets of the charge, including all money held in any financial institution for any purpose.
4. A copy of the church(es)' year-end statistical report/audit.

EC Grant for Pastor's Portion of the Conference Health Insurance Program

Clergypersons who serve EC charges can apply, through their DS, for a grant from EC that pays the clergyperson portion of the Conference Health Insurance Program.

The DS must forward the application to the Chair of COEC (*by no later than January 15th*), with detailed reasons for the request. All applications must be approved by COEC before any grants can be awarded.

Note: Requests for Health Insurance grants MUST be made separately from EC requests. In other words, being granted EC funds does not automatically guarantee a Health Insurance grant.

Additional EC Assistance for FTs and FLPs Serving More Than Two Churches in A Charge

FTs and FLPs whose charges consist of more than two churches may receive an additional \$400 per church per year up to a maximum of \$800.

The DS must forward to COEC (*by no later than January 15th*), information about the number of churches in the charge beyond the two

Note: Requests for this additional assistance MUST be made separately from standard EC requests. In other words, being granted EC funds does not automatically guarantee additional assistance for charges consisting of more than two churches.

One Round-Trip-Per-Week Commuter Allowances for SLPs, USPs, RPs, PLPs and LPAs

SLPs/USPs⁷, RPs, and PLPs⁸ are eligible to receive a commuter allowance for *ONE round trip per week* (equal to 18 cents per mile for 2007 and increasing to 20 cents per mile for 2008) from their school (or residence for RPs or PLPs) to the parsonage or the logical center of the parish, *up to a maximum of 300 miles per week*.

Note: Associate Pastors are NOT eligible for a commuter allowance.

To be considered for a Commuter Allowance, you must fill in the commuter mileage on the Other Items page of the electronic Compensation Administration System and apply through your DS.

The DS must forward the application to the Chair of COEC (*by no later than January 15th*), with exact information about the mileage and locations driven between. All applications must be approved by COEC before any allowances can be awarded.

⁷ SLPs and USPs will be paid in the amount needed to increase total income to EC plus the appropriate commuter allowance. Thus, the commuter allowance will be adjusted to the extent that the SLP's/USP's income exceeds EC.

⁸ To calculate commuter allowance for PLPs, the maximum EC is considered to be \$8,000.

Note: Requests for Commuter Allowances MUST be input into the electronic Compensation Administration System and will be considered along with EC requests. In other words, being granted EC funds does not automatically guarantee a Commuter Allowance.

III. CLERGY RELOCATION COMMITTEE GUIDELINES AND MOVING POLICY

Effective for moves related to appointments starting on and after January 1, 2004, the Texas Annual Conference (TAC) has implemented a Moving Policy. This Moving Policy applies to appointments where the clergy person will have the Conference Status of FE, PE, PM, AM, or FL (unless the pastor is also attending seminary); it also applies when a member of the clergy retires or dies.

A. General Procedure

1. Once an appointment is made, the District Superintendent will complete and sign Part 1 of the Clergy Relocation form and then send it, with a letter to the pastor. The remaining instructions are available on the Conference website.
2. The pastor chooses a moving company from the preferred list and sets up an appointment with the moving company for an estimate. If desired, the pastor can obtain two or more estimates and chose the one that seems best.
3. Pastor completes and signs Part 2 of the relocation form and mails it with the selected estimate (signed by the pastor) to the relocation coordinator, (currently Rev. Brenda Porter) whose contact information will be in the moving instruction package.
4. Rev. Porter reviews the forms and moving company estimate for compliance with the policy, then completes Part 3 of the Clergy Relocation Form.
5. Rev. Porter sends an approval letter (with copies of the Relocation Form and quote) to the moving company to authorize the move.
6. Copies of the approval letter and attachments are also sent to the pastor and receiving DS, while originals are kept on file by Rev. Porter.

B. Approved Amounts for Moving Expenses

1. The Moving Company will offer at least a sixty percent discount off the Texas tariff. Companies know their estimates have to be accurate and most will give a "guaranteed not to exceed" quote.
2. Insurance for catastrophic loss is provided by the moving company, but additional insurance is the responsibility of the individual pastor. Insurance for individually broken items is covered by some companies, but not others; self-packed items may also not be covered. In any case the coverage is minimal.
3. The current weight limit (effective January 1, 2008) is 16,000 pounds. Amounts in excess of this will be billed separately to the pastor. The moving companies will provide assistance to help pastors to stay within this limit.
4. The Conference will pay for one piano to be moved (about \$40-50) and for an extra pick-up and delivery to church office at each end.
5. The Conference will pay for packing for mattresses and mirrors only, up to \$250. All other packing materials or labor will be paid by the pastor.
6. After each move, the Moving Company will bill the Annual Conference directly for the portion of the move that has been approved. **Any additional amounts are the responsibility of the pastor and should be paid at the time of the move.**

C. Special Situations

1. In the event of a move originating from outside (or moving to outside) the Texas Annual Conference, the Conference will only pay for the cost incurred inside the Conference boundary.
2. When a pastor is moving to an appointment as Student Pastor inside the Texas Annual Conference, expenses will be reimbursed up to a maximum of \$500. In this case, the pastor will submit a Clergy Relocation Form and receipts for reimbursement after the move.
3. When a clergy couple are moving to new appointments, the allowance will be increased by 1,500lbs to allow for the additional books; extra stops will be allowed to make pick-up and delivery at each church.
4. Deacon moves are not covered by this policy, but the local church is encouraged to assist deacons with expenses incurred during a move to a new appointment.
5. The Conference reserves the right to make a decision (based on the intent of the policy) if a particular issue is not specifically covered by the Policy.

D. Relocation Costs Over the Approved Amount

1. **Clergy will be obligated to pay for amounts not covered by the Moving Policy** and this is a matter between the pastor and the moving company.
2. Before the move, clergy should know the amount of weight overage and amount of money owed the moving company, as well as any items not covered by the policy.

E. Self Move and Using a Company Not on Preferred List

1. Clergy may elect to move self, but will have to pay up front for the cost of the move.
2. TAC will reimburse the clergy for expenses that are reasonable and deductible in IRS Publication 521. These include truck rental and mileage (at the IRS rate for moving – 20c per mile for 2007), but receipts must be submitted together with a Clergy Relocation Form.
3. If the selected moving company is not on preferred list, clergy may have to pay for the move initially, then be reimbursed (utilizing guidelines and discount for all moves).
4. If this moving company is willing to bill the Conference, CRC will authorize payment as long as it is within the policy guidelines and the 60% discount is offered by the moving company

F. Moving Dates

1. There will need to be some flexibility of moving dates with a range of 2 or 3 days.
2. Clergy will need to check with pastor at new appointment to see when parsonage is available.
3. In most cases, loading will occur one day and unloading the next day.
4. Clergy families will need to make sure their belongings are boxed and ready to be loaded when moving company arrives. If clergy families are not packed and ready when moving company arrives to pick the load, moving companies will notify TAC of any extra charges and clergy will be responsible for paying those.

G. Evaluation Form

1. Each pastor will be asked to complete an evaluation form and identify any issues.
2. Any suggestions for improvement will be considered in order to help our Conference make moves as smooth as possible and also keep expenses down.

H. Tax Implications

1. If the move is over 50 miles (based on IRS regulations), the amount paid on the pastor's behalf is a non-reported benefit.
2. If the move is less than 50 miles, or if the pastor is moving into a retired status, the moving costs will count as income to the pastor. In this case the Conference will issue a 1099 at the end of the calendar year.
3. For further information see IRS Publication 521 or consult your income tax professional.

IV. Housing And Parsonage Standards for the Texas Annual Conference

After thorough study and reflection by a Task Force established at the 1998 session of the Texas Annual Conference which included members from the Conference Council on Finance and Administration, Conference Board of Ordained Ministry, Clergy Spouses Group, Conference Trustees, Commission on Equitable Compensation, and a Cabinet Representative, The Commission on Equitable Compensation recommends adoption of Housing and Parsonage Standards for the Texas Annual Conference.

The church today demands the clergy to be not only a preacher, as was the early circuit rider, but a resident pastor and responsible citizen in the community. In order to meet these felt needs, and to call men and women to a dedicated ministry, the church must provide living conditions that will establish an adequate base from which to operate. It is the privilege and responsibility of the members of each congregation to provide a physical setting which will give the parsonage family the comfort and convenience so that the energies of the pastor may be more concentrated on his or her task and willing service in the Church of God. It is the responsibility of the parsonage family to provide cleaning and care of the parsonage, which will protect the interior facilities and amenities such as paint and floor coverings. Because the parsonage, like the church building, reflects upon the congregation and pastor, it should be in such condition that all concerned can be justifiably proud of it. In view of this, we make the following recommendations regarding parsonage Standards for this Annual Conference.

1. Size of Building and Living Areas. The new or remodeled parsonage should be large enough to accommodate the pastor's family. It should provide adequate space for the entertainment of guests. It should be remembered in selecting a parsonage that the present parsonage family is not the only one who will live in that parsonage and that the house should be adaptable for a variety of family sizes and situations. We recommend the following minimum standards:
 - a. 1800 square feet of living space
 - b. 3 bedrooms and 2 bathrooms
 - c. Adequate major appliances (stove, refrigerator, washer, dryer)
 - d. Hot and cold running water in bathrooms, kitchen, and laundry
 - e. Adequate heating and air conditioning
 - f. Adequate closet and storage space
 - g. Adequate garage or carport space with outdoor storage area
2. Health and Safety
 - a. Proper sewer disposal according to the standards of local and/or State Department of Health
 - b. Fire extinguisher in kitchen with yearly inspection
 - c. Provide smoke detectors for kitchen, living, and bedroom area
3. Furnishings
 - a. House adequately furnished with main items in living room, family room, dining room and kitchen. (Discarded or worn out furnishing should not be used to furnish the parsonage). After 2006, the furnishings for the living room and family room will be the responsibility of the pastor and not the church. After 2008, the dining room furniture will also be the responsibility of the pastor.
 - b. Window covering, drapes, curtains, and blinds should be provided to insure adequate privacy.
 - c. If the parsonage family is expected to maintain the lawn, the church should provide a mower, lawn tools, and hoses.
 - d. Bedroom furnishings are to be provided by the pastor.
4. Miscellaneous
 - a. Discovering Needs: The Chairperson of the Pastor Parish Committee, the Pastor and the Chairperson of the Trustees or Parsonage Committee should inspect the parsonage at least one a year as provided for in Paragraph 262.2ff of the 1996 Discipline to discover needed repairs, improvements, and decorations. The Committee or Trustees should assume the initiative since it is their responsibility to maintain the parsonage in good condition, and since prompt attention lessens total cost of maintenance. An evaluation form will be provided by the Conference Commission on Equitable Compensation to the District Superintendents and be included in the Charge Conference packets. It needs to be remembered that the parsonage is the PASTOR'S HOME and inspection should be scheduled in plenty of time to meet the convenience of the parsonage family.
 - b. Insurance: The Trustees should be certain that the church owned house and contents are insured for at least 80% of replacement cost against fire, wind, and other hazards. Public liability insurance should be carried on parsonage property. Tenant homeowners insurance is available for all ministers who desire to cover personal possessions and liability. IT IS THE REPONSIBILITY OF THE PASTOR TO INSURE PERSONAL PROPERTY BELONGING TO THE PASTOR AND FAMILY.
 - c. Parsonage Record Book: It is recommended that each church establish a Parsonage Record Book containing an inventory of parsonage furnishings owned by the church, any warranties on items purchased for the parsonage, a service and repair record with dates of repair or service copies of the annual inspection and moving day checklist, and any other receipts, printed materials, or pertinent information.

A copy of these standards shall be distributed at Charge Conference by the District Superintendent to each church with a copy of the Evaluation forms. The PPR Committee, Trustees, or Parsonage Committee shall conduct a review of the parsonage and how it related to these standards (below average, average, meet standards, needs immediate attention) and submits their findings at each Charge Conference. Action should be taken as soon as possible to bring each parsonage within an acceptable range based on these minimal standards.

PLAN FOR TRANSITION OF CLERGY OWNERSHIP OF PARSONAGE FURNITURE

- I. This plan of transition is schedule from 2001 through 2008. At its conclusion, clergy appointed to serve charges within the Texas Annual Conference will own the furniture used within the parsonages of the charges where they are appointed. The charge will be responsible for providing major appliances: stove, refrigerator, washer, dryer, dishwasher, and window coverings. If the clergyperson is responsible for taking care of the parsonage lawn, an appropriate lawn mower will be provided by the charge. Clergy will be responsible for providing their own furniture and artwork.
- II. By December 31, 2002, clergypersons will own master bedroom furniture. By December 31, 2004, clergypersons will own furniture for all bedrooms. By December 31, 2006, clergypersons will own furniture for living areas. By December 31, 2008, clergypersons will own furniture for dining areas.
- III. During this time of transition, furniture storage issues will be handled as follows:
 - A. Furniture must be stored in a climate controlled storage facility unless the church chooses to put church owned furniture to use in church buildings such as Sunday School Classes or the church parlor.
 - B. If a clergyperson owns furniture and would like to use that in the parsonage, the clergyperson will be responsible for paying storage facility fees for church owned furniture until the effective date of transition. After the effective date of transition, the church will be responsible for paying storage fees on any furniture it chooses to keep. Example: Should a clergyperson own furniture for the family room and should the church choose to keep its family room furniture, the clergyperson would be responsible for paying storage fees for church furniture through December 31, 2006. Beginning January 1, 2007, the church would be responsible for these storage fees. The church is not under obligation to keep its furniture, especially in situations where the clergyperson is likely to reside in the parsonage through the effective date of transition.
- IV. Suggestions that might make this transition go smoothly:
 - A. In light of the transition, churches would be wise to buy no additional parsonage furniture. If church-owned furniture needs to be replaced in an area prior to the effective date of clergy ownership, consider renting or offering the clergyperson the option of buying furniture for that area early.
 - B. In disposing of furniture, churches could consider selling it, for a nominal fee, to the clergyperson appointed to the church at the effective date of transition.

2008 BUDGET FOR COMMISSION ON EQUITABLE COMPENSATION

Meeting Expense	\$1,200
Office Expense	\$1,200
Total COEC Administrative Expenses for 2008	\$2,400

GROUP HEALTH BENEFITS-David Eikner, Chairperson

Introduction:

The following report is divided into the following sections.

- 1. Overview of Health Care situation in United States
 - A. Cost as a percentage of GDP
 - B. Life expectancy
- 2. 2006 review
 - A. Administrative consolidation of Pension & Group Health Benefits
 - B. Wellness Program termination

- C. Investment results
- D. Financial results
- 3. 2008 Group Health Benefits Committee Recommendations
 - A. New Prescription drug plan – Express Scripts
 - B. Increase in out of network costs
 - C. Other plan changes effective January 1, 2008
 - D. Clergy & retiree personal contribution increase
 - E. Direct Billing rate increase
 - F. New Disease Management Program
 - G. Relief for Retirees who retired 1992 and earlier
 - H. Group Health Benefits name change
 - I. Apportionment request
 - J. Termination for non-payment
- 4. Endowment Fund Report (Chairman John Curry’s report)

Overview of health care in the United States

The Group Health Benefits Committee regularly wrestles with cost and coverage issues as it relates to the health care benefits provided to active clergy, dependents, retirees and surviving spouses. While the committee would like to extend benefits to all, it must function within the parameters of the health care cost equation in the United States.

Health care costs in the United States represented 16% of the gross domestic product (GDP) during 2006. Both for-profit companies and nonprofit organizations such as the Conference, continue to wrestle with the high cost of health care. While the following report details the strategy which the committee has developed, it does not portray the frustration that the committee feels regarding the situation which will need to be resolved on a larger political scale.

A comparison of health care costs to other countries indicates that the United States spend significantly more money on health care than other countries. Yet, 45 million people remained uninsured in the United States (paid for by those who have insurance), while other countries provide universal health care. Factor in that life expectancy in the United States is lower than other country’s; it raises serious questions beyond the scope of the Group Health Benefit Committee.

We in the Texas Annual Conference are blessed with The Methodist Hospital which assists us in the provision of health care while helping underwrite a portion of the cost through favorable managed care contracts. As indicated later in this report, the managed care arrangement with the Methodist Hospital lowers our health care costs by hundreds of thousands of dollars annually. Without this arrangement, deductibles and personal contributions would have to be higher.

2006 review

A. Administrative consolidation of Pension & Group Health

During 2006 the pension and group health benefits administrative departments were consolidated and upgraded with new software programs. Staff changes were made and the two departments were combined under a single Benefits Administrator, Lydia Fay Lopez.

B. Wellness Program termination

Effective December 31, 2006, the Group Health Benefits Committee decided that it was a better use of funds to invest in a Disease Management Program as opposed to continuing the Wellness Program with WellCall. (See 2008 recommendations paragraph F)

C. Investment results

	January 1 Balance	2006 Earnings	Return
TX. Methodist Foundation	\$1,905,041	\$207,187	10.8%
United Methodist Fund	\$1,133,062	\$62,926	6.74%
General Bd. Of Pensions	<u>\$1,938,626</u>	<u>\$266,859</u>	13.77%
	<u>\$4,976,729.00</u>	<u>\$536,972</u>	10.7%

The earnings on both the Group Health Reserve and Endowment Fund are integrated into the budget forecast (other income category) in forecasting future revenue needs. These earnings reduce the amount of apportionment and personal contribution required.

D. Financial results

Total PPO medical expenses during 2006		\$22,271,044	
Medicare savings	\$10,891,538		
PPO Savings	\$2,311,402		
Stop loss recoveries	\$470,000		
Methodist Hospital savings	<u>\$1,145,754</u>		
PPO claim costs paid by Group Health Benefits		\$6,928,779	<hr/>

To summarize the 2006 financial results, investment returns exceeded budgeted expectations as did stop loss recoveries while claim costs were 3% under budget. The sum total of these positive variances totaled approximately \$495,000. In addition, the HMO plan experienced a \$4 million medical claim which was absorbed by UniCARE under the fully insured arrangement.

2008 Group Health Benefits Committee Recommendations

A. New Prescription drug plan – Express Scripts

Included in the budget forecast at the end of this report are the financial savings as a result of changing from Script care to Express Scripts effective September 1, 2007. Without these savings the personal contribution for both retirees and active clergy would have to increase an additional **30%**.

B. Increase in out of network costs

The out of network maximum expense will increase in **2008** an additional \$3000 bringing the total out-of-pocket out of network maximum to **\$26,000 plus deductible**.

C. Other Plan changes

In an effort to balance the increase in premium with the benefits provided under the plan, the following changes will be implemented for the **PPO Plan** effective **January 1, 2008**.

1. The deductible will increase from \$400 to **\$500**
2. The out-of-pocket maximum will increase from the current \$2,200 to **\$3,000** (plus deductible)
3. The co-pay for brand drugs both on and off the formulary will increase **\$10** for the retail drug plan. Following are the new co-pays.

Brand on formulary	\$55 + 20% of cost over \$275
Brand off formulary	\$80 + 20% of cost over \$400

4. The mail order co-pays will increase as shown below (90 day supply)

Generic	\$25 + 20% of cost over \$125
Brand on formulary	\$137.50 plus 20% of cost over \$687.50
Brand off formulary	\$200 plus 20% of cost over \$1,000

5. The office visit co-pay will increase to **\$20** and **\$30** for a specialist. The \$20 co-pay applies to General Practice, Family Practice, Internal Medicine, Pediatrician and OB/Gyn physicians while the \$30 co-pay will apply to all others.

D. Clergy & retiree personal contribution increase

The personal contribution rate for active clergy will increase 15% in 2008. This is the first increase in personal contribution rates in three years. Following are the new personal contribution rates for the PPO and the high deductible plan.

	Less than \$44,999	Greater than \$45,000
PPO Plan	6.83%	8.32%
High Deductible Plan	5%	5.38%

The HMO rates will be published during open enrollment based on the renewal received from UniCARE. The HMO plan is fully insured.

The retiree personal contribution rates will increase 10% for 2008. Following are the new rates.

	Single	Family
40 years of service	\$172.81	\$288.02
Retiree – Medicare Primary	\$172.81	\$288.02
Retiree with under 65 dependent	NA	\$679.70
Early retirees (under the age of 65) pay direct billing rate		

E. Direct Billing rate increase

The Direct Billing rates will increase 8.5% in 2008. The new Direct Billing rates are \$905.15 single and \$1,732.41 family.

F. New Disease Management Program

Effective January 1, 2007 a Disease Management Program was implemented. The focus of this new program is to help participants with the following medical conditions to improve their health while reducing cost to the Annual Conference. The specific conditions targeted under this program are;

- Asthma
- Coronary artery disease
- Congestive heart failure
- Diabetes and high blood pressure

Additional information has been mailed to all PPO participants regarding this program. Participants who are identified with one of these conditions will be contacted by the Disease Management nurses and offered an opportunity to participate in the program and receive financial incentives (\$25 credit to their personal contribution for achieving specific goals developed in conjunction with the Disease Management nurses) based on their participation. The Group Health Benefits Committee hopes this new benefit will improve the health of participants in the PPO plan.

G. Relief for Retirees who retired 1992 and earlier

At the request of the Pension Committee, the Group Health Benefits Committee is reducing the retiree personal contribution for those retirees who retired in 1992 or prior. Provided the Pension Committee report is accepted as written which will provide the funding for this change. The reduction for retirees who fit this category will be \$45 per month. The reduction for contingent annuitants will be \$33.75 (75% of the retiree reduction). Following are the new personal contribution rates for 2008 for retirees and contingent annuitants who retired prior to 1992.

	Single	Family
Retiree	\$127.81	\$243.02
Contingent Annuitant	\$139.06	\$645.95 (under 65 dependent)

H. Group Health Benefits name change

To prevent confusion regarding insurance plans such as automobile and homeowners and to prevent jurisdictional disputes with the department of insurance for the State of Texas, the Group Health Benefits Committee has formally adopted the name “Group Health Benefits Committee” and asks that all Conference references to the insurance committee be changed to Group Health Benefits Committee.

I. Apportionment request

The practices of billing churches whose clergy do not participate in the Group Health Benefits plan (for example, retired clergy) will be discontinued in 2008. To replace this income, the Group Health Benefits Committee requests an increase in apportionment of \$25,000 for 2008. This increase represents the amount that was previously billed to the churches with Clergy not participating in the health plan.

J. Termination for non-payment

The policies for the Group Health Benefit Committee have been changed to state;

Policy 140

The HMO and Life Insurance coverage are fully insured programs and the decision to accept a reinstated participant is up to the insurance companies. The Life insurance carrier may require evidence of good health and the HMO may require the participant to wait until open enrollment.

The PPO has stop loss insurance that has the right to decline coverage for a participant or their dependents whose coverage has lapsed and they are requesting reinstatement.

It is the policy of the Group Health Benefits Office to send notice of arrearage to a participant and/or dependent who is 60 days in arrears in their personal contribution, apportionment (line 181) or the church's 4.8%, giving the participant an opportunity to make payment arrangements with the Plan Administrator. (Failure to keep the arrangement will result in immediate termination) A participant is terminated when there is a 90-day arrearage if no payment arrangements have been made. The effective date of termination will be the last day of the month for which full contributions have been received.

Other details;

The Group Health Benefits Plan has a self insured PPO, a self insured prescription drug plan and a fully insured HMO which covers clergy, laity, retirees and surviving spouses who meet the eligibility requirements. The Group Health Benefits Plan is not a form of entitlement and it should be noted that the Group Health Benefits Committee, with the approval of Annual Conference, reserves the right to amend or possibly eliminate both the active and retiree plan of benefits.

On behalf of the Group Health Benefit Committee, I thank Rev. B.T. Williamson, Director of the Center for Clergy Excellence, Lydia Fay Lopez, Benefits Administrator, Allen Bass, Records Assistant, Sama'tra Chambers, Health Records Assistant, and Patty Oliver, Benefits Billing Assistant for providing outstanding dedication and skillful application of their talents in this difficult and changing field. Personally I would like to thank each of the Group Health Benefits Committee members for their work in crafting the solutions we have identified to date and enduring long and challenging committee meetings.

I would also like to thank American United Life, Boon Chapman, Script Care, and UniCare, for the outstanding service they have provided our participants. In addition, I would like to thank Mr. Ted Carlson of Carlson's Consulting, the Texas Annual Conference's Group Health Benefits consultant, for his work throughout the year.

Endowment Fund Report-John Curry, Chairman

The Investment Committee continued to use Smith Barney in 2006 to invest the assets of the endowment fund which grew from \$1,168,116 to \$1,349,578.

For 2006 the endowment fund earned 15.53%.

All invested funds reflect the Social Investment Guidelines as provided by the General Board of Pensions.

Forecast for 2007 & 2008

	Actual	Forecast	
	2006	2007	2008
<u>INCOME</u>			
Clergy	3,135,940	3,285,433	3,933,156
Extension Ministries	664,320	708,347	749,255
Retirees (Under /over 65)	950,206	950,206	1,045,227
Church @ 4.8%	1,806,485	1,880,551	1,957,653
Apportionment	3,642,882	3,643,489	3,668,489
Laity PPO Billing	35,013	40,265	45,701
Laity HMO Billing	1,234,022	1,319,690	1,517,644
Other Income	1,198,278	677,781	567,615
TOTAL INCOME	12,667,146	12,505,762	13,484,739
<u>EXPENSE</u>			
Clergy HMO Insurance	1,942,600	1,846,056	2,122,964
Laity HMO Insurance	1,301,039	1,319,690	1,517,644
Medical Claims (net)	5,565,457	5,679,044	6,058,550
5% Margin for Error		283,952	302,927
Prescriptions	1,952,050	2,240,575	2,378,431
Life, A.D & D	68,307	75,138	82,651
Disease Mgmt	33,019	25,000	25,000
Stoploss	255,442	352,500	405,375

Assumptions

Income:

1. Clergy salary increased 4.1% in 07 and 4.1% in 08.
2. Retirees – no increase in personal contribution for 2007, 10% increase in 2008.
3. Assumes Laity pay 100% of HMO revenue.
4. 2008 Direct billing rates of \$905.15 & \$1732.41.
5. Apportionment no increase in 2007 & \$25,000 in 2008.
6. Other income - Includes rebates and assumes a 6% return.

Expenses:

8. HMO premium increase 7% in 2007 & 15% in 2008.
9. Non Methodist Medical claims trended at 13.5% in 2007 and 2008.
10. Methodist Hospital claims trended at 4.5% in 2007 & 2008.

Forecast for 2007 & 2008

	Actual	Forecast	
	2006	2007	2008
Claims Administration	302,593	294,322	290,669
Office Administration	419,169	440,127	462,134
Adoption Expense	6,900	0	0
TOTAL EXPENSE	11,846,576	12,556,404	13,646,345
Surplus (Deficit)	820,570	(50,642)	(161,606)
Reserve	6,355,570	6,234,842	6,160,550
Endowment fund	1,168,116	1,238,202	1,312,494
TOTAL RESERVE	7,523,686	7,473,044	7,311,438
Less termination reserve	1,488,967	1,531,790	1,633,559
Reserve & Endowment	6,034,719	5,941,254	5,677,879

Assumptions

- 11. Prescriptions based on Express Scripts estimates.
- 12. Stoploss – Actual in 2007 & 15% increase in 2008.
- 13. Claims Administration - 10% increase in 07 & 08.
- 14. Life increased 10% in 2007 & 2008.
- 15. Office Administration – 5% increase per year.

Note: Medical claim costs assume continuation of Methodist Hospital Direct Contract in 2007 and 2008 which impact costs favorably due to the nature of the contract.

TEXAS CONFERENCE GROUP HEALTH BENEFITS PLAN

FINANCIAL STATEMENTS

December 31, 2006 and 2005

C O N T E N T S

Independent Auditors' Report

Financial Statements:

Statements of Assets and Reserve Fund – Cash Basis

Statements of Cash Receipts, Disbursements, and Reserve Fund – Cash Basis

Notes to Financial Statements

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of assets and reserve fund – cash basis of the Texas Conference Group Health Benefits Plan as of December 31, 2006 and 2005 and the related statements of cash receipts, disbursements, and reserve fund – cash basis for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the organization prepares its financial statements on the basis of cash receipts and disbursements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and reserve fund of the Texas Conference Group Health Benefits Plan as of December 31, 2006 and 2005 and the cash receipts, disbursements, and reserve fund for the years then ended, on the basis of accounting described in Note 2.

Ronald E Smith, CPA

Katy, Texas
February 2, 2007

TEXAS CONFERENCE GROUP HEALTH BENEFITS PLAN
STATEMENTS OF ASSETS AND RESERVE FUND – CASH BASIS
December 31, 2006 and 2005

	<u>ASSETS</u>	
	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	\$ 860,407	\$ 558,269
Investments - at market	5,313,701	4,976,731
Designated investments - at market	<u>1,349,578</u>	<u>1,168,116</u>
Total assets	<u>\$ 7,523,686</u>	<u>\$ 6,703,116</u>
	<u>RESERVE FUND</u>	
Reserve Fund:		
General reserves	\$ 6,174,108	\$ 5,535,000
Board designated - Permanent Endowment Fund	<u>1,349,578</u>	<u>1,168,116</u>
Total reserve fund	<u>\$ 7,523,686</u>	<u>\$ 6,703,116</u>

TEXAS CONFERENCE GROUP HEALTH BENEFITS PLAN
STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS, AND RESERVE FUND-CASH BASIS
For the years ended December 31, 2006 and 2005

		<u>2006</u>	<u>2005</u>
Receipts:			
	Apportionments	\$ 3,642,883	\$ 3,591,843
	PPO - Lay and clergy direct billings	1,520,936	1,446,302
	PPO - Church and clergy percentage billings	3,521,333	3,283,821
	HMO - Lay and clergy direct billings	1,414,442	1,325,596
	HMO - Church and clergy percentage billings	1,393,401	1,468,139
	Stop loss insurance refunds and reimbursements	443,530	492,481
	Reserve investment income net of advisory fees	549,134	307,749
Donations - P.E.F	Permanent endowment investment income net of fees	<u>181,487</u>	<u>33,667</u>
		<u>12,667,146</u>	<u>11,949,598</u>

TEXAS CONFERENCE GROUP HEALTH BENEFITS PLAN
STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS, AND RESERVE FUND-CASH BASIS
For the years ended December 31, 2006 and 2005

Disbursements:	<u>2006</u>	<u>2005</u>
Payment of claims	7,517,507	7,326,043
HMO insurance premiums	3,243,640	3,170,876
Claims administration fees	302,591	281,895
Stop loss and other insurance premiums	356,768	324,424
Adoption reimbursements	6,900	2,300
Administrative costs	<u>419,170</u>	<u>300,805</u>
	<u>11,846,576</u>	<u>11,406,343</u>
Excess of receipts over disbursements	820,570	543,255
Beginning balances - Reserve Fund	<u>6,703,116</u>	<u>6,159,861</u>
Ending balances - Reserve Fund	<u>\$7,523,686</u>	<u>\$6,703,116</u>

TEXAS CONFERENCE GROUP HEALTH BENEFITS PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

1. **Background**

The Texas Conference Group Health Benefits Plan provides insurance benefits to clergy, laypersons and their dependents who work for the Texas Annual Conference of the United Methodist Church. As such, all of its funds are restricted for such purposes.

In 1985, the Texas Conference Group Health Benefits Plan became a self-funded plan managed by the Texas Annual Conference Insurance Committee. Claims are administered by a third party administrator, who is contracted to process claims, make benefit payments and provide other services as needed. The fund is insured by individual and aggregate stop loss coverage for eligible claim benefits in excess of \$225,000.

As an agency of the Texas Annual Conference of the United Methodist Church, the Texas Annual Conference Medical Benefit Plan is exempt from state and federal income taxes. The Texas Annual Conference bears the burden of unfunded reserve liabilities should there be a cash shortfall in claims payment.

2. **Principal Accounting Policies**

Basis of Presentation

The accompanying financial statements are presented on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, which has been consistently applied. Under this basis, insurance premiums are generally recognized as collected and expenses are generally recognized when paid. The financial statements are a summary of the cash activity of the organization.

As stated above, the financial statements are presented on the cash basis of accounting.

Cash Equivalents

Cash equivalents are bank and money market accounts subject to immediate withdrawal.

During 2006, the Plan had average balances in excess of FDIC insured limits. The Insurance Committee mitigates against potential losses by monitoring the viability of the financial institutions which hold its funds. During 2006 the Plan invested excess funds in overnight Treasury investments further reducing risk of loss.

3. **Reserve Fund**

The Reserve Fund presented in the accompanying financial statements is based on actual claims paid and actual receipt of contributions through December 31, 2006 and 2005 (cash basis). The third party administrator reports estimated incurred but not reported claims reserve requirements of \$1,532,958 and \$1,485,845 at December 31, 2006 and 2005. These are actuarially determined balances based on three assumptions: (1) there is a three-month lag time in claims outstanding, (2) there is full payment of premiums, and (3) no plan termination is anticipated. These amounts are statistical estimates and actual claims could vary from these amounts.

The Reserve Fund includes segregated funds totaling \$1,349,578 and \$1,168,116 as of December 31, 2006 and 2005, which have been designated by the Group Health Benefits Committee as a Permanent Endowment Fund.

4. **Related Parties**

As an agency of the Texas Annual Conference of the United Methodist Church the Plan occupies office space and is administered by employees of the Texas Annual Conference. Charges paid to the Texas Annual Conference for facilities, services, supplies and employees amounted to \$266,661 and \$250,903 for the years ended December 31, 2006 and 2005, respectively.

5. **Investments**

The Plan invests in high grade corporate, US government securities, corporate equity securities and local church mortgages through United Methodist organizations and other

professional investment managers. The Plan's objective is to preserve principal while obtaining maximum earnings with investments that are appropriate under the United Methodist Social Principles. The nature of these investments is however, subject to market risk. Investments, stated at market, as of December 31, 2006 and 2005, were as follows:

	2 0 0 6		2 0 0 5	
	Invested	Income	Invested	Income
Investments:				
General Board of Pensions	\$2,205,485	\$266,859	\$1,938,626	\$155,028
Overnight cash sweeps		12,163		
Texas Methodist Foundation	2,112,228	207,186	1,905,042	124,377
Monroe Vos/Pimco Funds				(40,925)
United Methodist Foundation	995,988	62,926	1,133,062	69,269
	<u>\$5,313,701</u>	<u>\$549,134</u>	<u>\$4,976,730</u>	<u>\$307,749</u>
Designated investments:				
Permanent Endowment Fund				
Smith-Barney	<u>\$1,349,578</u>	<u>\$181,487</u>	<u>\$1,168,116</u>	<u>\$ 33,667</u>

6. Accrued Post Retirement Benefits

In May 2000, the Texas Annual conference of the United Methodist Church adopted the following resolution:

...The Group Health Benefits plan is not a form of entitlement and it should be noted that the Group Health Benefits Committee, with the approval of the Annual Conference, reserves the right to amend or possibly eliminate both the active and retiree plan of benefits.

The accompanying financial statements therefore have no provision for accrued post retirement benefits under FASB 106.

BOARD OF PENSIONS-Dr. William C. Jones, Chairperson

Introduction

The Texas Conference Board of Pensions, for this 2005-2009 Quadrennium, brings this report to the Annual Conference in full and appreciative recognition of the sacrificial giving, careful planning and dedicated stewardship of predecessor Annual Conferences and Conference Boards of Pensions. We owe a debt of gratitude to our laity and to our clergy who have established the pension infra-structure on which the Texas Conference now stands. We are grateful as we make this report for the work they have done and for the opportunity to continue to work on the pension programs of the Texas Annual Conference and the United Methodist Church.

The report is divided into ten sections.

Section I Basic Recommendations to be acted on by this conference.

1. Conference Board Funds
2. Pension Fund Apportionments
3. Funding Pensions for Past Service Rate
4. CRSP Funding Pensions for Current Service
5. Death Benefits

Section II Conference Board of Pensions Assets for Past Service and Benefits

Section III Discussion on the apportionment and the Past Service Rate

Section IV Pre 82 Years of Service

Section V Housing Resolution

Section VI Adoption Agreement Comprehensive Protection Plan

Section VII Adoption Agreement Clergy Retirement Security Program (CRSP)

Section VIII Electronic Fund Transfer

Section IX Sustentation Fund

Section X Addendum on Intentional Interim Ministers

Section I. Basic Recommendations

1. Conference Board – 2008 Budget

a. Administrative Funds

1) Meeting Expense	\$5,000
2) Office Expense	<u>1,000</u>
Total	\$6,000

b. Program Funds

1) Retirees Luncheon	5,500
2) Pre-Retirement Seminar	0
3) Retired Ministers Retreat	350
4) Commemorative Plaques	2,500
5) Retiree's Video	5,000
6) Promotion & Interpretation (Benefits Tour)	4,000
7) Board Members & D.S.'s. Education & Developments	<u>3,000</u>
Total	20,350.00

Budget Total **\$26,350.00**

2. Pension Fund Apportionment – 2008 Budget

a. Apportionment for Pension Fund \$900,000

b. That \$50,000 of the Pension Fund Apportionments be retained by the Conference Treasurer for administration of the Conference Board of Pensions; the balance of the apportionment \$850,000, be remitted monthly to the General Board of Pensions.

c. That all pastors and local churches be reminded of ¶638.4.a of *The 2004 Book of Discipline*: When the apportionment of the pastoral charges for the pension and benefit program of the Annual Conference has been determined, payments made thereon by each pastoral charge shall be exactly proportionate to payments made on the General Board of Pensions and Health Benefits Plan Compensation of the ordained minister or clergy serving it.

d. That the apportionment for Pension Fund shall be spread among the churches on the prevailing decimal basis for all apportionments and that remittances are made to the office of the Conference Treasurer.

3. Funding Pensions for Past Service Rate

Past Service is that service rendered prior to January 1, 1982, by clergy members and Full-Time Local Pastors which has been approved for pension credit. Funding for pensions for past service is provided through income from gifts, earnings on pension reserves, a stabilization fund and Pension Fund Apportionments.

BE IT RESOLVED

1) That the 2008 Past Service Rate for approved service rendered by ordained Ministers and Full-Time Local Pastors be set at \$736.00.

2) That the rate for Surviving Spouses be set at 75% of the Past Service Rate.

3) That the 2008 Past Service Rate becomes effective January 1, 2008.

4. CRSP Funding Pensions for Current Service

Current Service is that service rendered on and after January 1, 2008, by clergy. Funding for pensions for current service is the responsibility of the salary-paying unit to which the appointment is made. The funding for pensions and a protection umbrella is through the Clergy Retirement Security Program (CRSP) administered by the General Board of Pensions. The Adoption Agreement on CRSP will provide more specific detail and will be printed in the Conference Journal.

WHEREAS, the United Methodist Church began in 2007 a new pension program for all years of service beginning January 1, 2007.

THEREFORE, BE IT RESOLVED,

That we affirm the action taken at 2006 session of the Texas Annual Conference which placed the church contribution for each clergy participant according to the following CRSP Funding Plan:

A) Defined Benefit (DB)

i. Projected Total Cost to Texas Annual Conference (TAC) would be:

$$9.4123\% \times \$56,044 \times \# \text{ of Eligible Participants} = \$ \text{ "Total DB \$"}"$$

ii. Plan Compensation of Eligible Participant ÷ Total TAC Plan

Compensation = "Decimal"

iii. Funding for Eligible Participant = "Total DB \$" x "Decimal"

B) Defined Contribution (DC)

1. 3% x Plan Compensation of Eligible Participant

2. UMPIP – 1% x Plan Compensation of Eligible Participant

C) Comprehensive Protection Plan (CPP)

3% x Plan Compensation of Eligible Participant (not to exceed \$3,362.64)