Allowance for gap on apportionment: $1,574,115 - Historically, the annual conference has not received 100% connectional giving from all its local churches. In order to pay for the expenses listed above, full participation will be required from local churches in their giving. Since that doesn’t happen and lesser amount is received than apportioned, it creates a gap between the spending plan and actual receipt. The allowance is budgeted and factored into the apportionment to help meet the gap.

**TOTAL AMOUNT OF PROPOSED 2021 BUDGET WITH GAP = $10,658,105**: This represents a decrease of $893,221 from current year’s budget.

I hope the narratives were helpful to you. Please do not hesitate to call our office at 626-568-7306 should you have any question.

May the Lord grant us the wisdom, bless us and keep us always in an abundance of grace and mercy.

*Lamentations 3:22-23*: Because of the Lord’s great love we are not consumed, for his compassions never fail. They are new every morning; great is your faithfulness. (NIV)

**REC 20-08 | 2021 QUOTAS & SPECIAL OFFERINGS**

<table>
<thead>
<tr>
<th>Quotas</th>
<th>Approved 2019</th>
<th>Actual 2019</th>
<th>Approved 2020</th>
<th>Proposed 2021</th>
<th>Diff</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Border Ministry</td>
<td>$55,000</td>
<td>$22,126</td>
<td>$55,000</td>
<td>$75,000</td>
<td>$20,000</td>
<td></td>
</tr>
<tr>
<td>Campus Ministry</td>
<td>$100,000</td>
<td>$39,025</td>
<td>$100,000</td>
<td>$100,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Hunger Appeal</td>
<td>$30,000</td>
<td>$12,103</td>
<td>$30,000</td>
<td>$30,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Strength For the Journey</td>
<td>$12,000</td>
<td>$6,224</td>
<td>$12,000</td>
<td>$12,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Young People’s Ministry</td>
<td>$60,000</td>
<td>$23,878</td>
<td>$60,000</td>
<td>$60,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Youth Service Fund</td>
<td>$32,000</td>
<td>$12,931</td>
<td>$32,000</td>
<td>$32,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Quotas</strong></td>
<td><strong>$289,000</strong></td>
<td><strong>$116,287</strong></td>
<td><strong>$289,000</strong></td>
<td><strong>$309,000</strong></td>
<td><strong>$20,000</strong></td>
<td>BOD ¶ 1208.</td>
</tr>
</tbody>
</table>

Notes: The Border Ministry request is upped by $20K to fund the increasing program needs.

**RESOLUTIONS**

**RES 20-01 | STANDARD CHANGE TO CALCULATION OF MEDIAN CASH SALARY**

**SUBJECT:** Changing the calculation of median cash salary because of the extraordinary circumstances brought about by the global coronavirus pandemic.

**SUBMITTED BY:** Commission on Equitable Compensation

**ESTIMATED FISCAL IMPACT:** None

**SOURCE OF STAFF TIME:** None
WHEREAS: Under Standards of the Annual Conference, page 1-71 under the section “Commission on Equitable Compensation-Median Cash Salary” Section A requires the Commission to report the median cash salary for the current year. Section B requires the creation of new minimum salary schedules based on years of service of clergy for the current year.

WHEREAS: With the COVID-19 pandemic, churches have not been allowed to hold worship services and have had to reduce in person attendance at other meetings. Giving and tithing has been reduced at most churches because of job loss or reduction in personal income of members of the congregations.

WHEREAS: The timeframe for returning to normal economic conditions and worship is unknown. Increasing clergy compensation would increase the financial strain to churches.

THEREFORE BE IT RESOLVED: the Commission on Equitable Compensation proposes Standard regarding an annual calculation of the Median Cash Salary, on page I-71 of the 2019 Journal, Section A and Section B be suspended for this year, resulting in no increase in Median Cash Salary or the clergy minimum salary tables for 2021.

RULES CHANGES

RULES 20-01 | TECHNICAL/VIRTUAL CONFERENCE SESSIONS
SECRETARY’S NOTE: This rule change was submitted to the Rules Committee, but the Committee did not reach consensus on a recommendation.

Add Rule V.C.9
9. Should unexpected circumstances prevent physical gathering for an Annual Session, the Sessions Task Force under the direction of the Bishop may establish technical/virtual means to gather and to carry out the business of the Annual Conference. This must include methods to experience worship, participate in debate (including ways to perfect legislation), and vote. Security measures must be included to ensure the integrity of voting.

RULES 20-02 | ENDOWMENT AND LYNCH FUNDS
Fiscal Rules XII
1. Conference Endowment and Trust Funds
The Board of Pension & Health Benefits is the recipient of the income from the Conference Endowment Fund and the Frank and Georgia Lynch Trust Fund. The funds received by the Board from these sources shall be used for the benefit of Conference Claimants and/or Annuitants upon the recommendation of the Conference Board of Pension & Health Benefits and the approval of the Conference.

J. Frank and Georgia Lynch Fund
1. The Conference Endowment Fund is named beneficiary in trust provisions contained in the wills of Frank Lynch and Georgia Lynch, both of whom were members of the First United Methodist Church, San Diego, California. At the present time, the trusts are administered by named trustees and the annual income is paid over to the Board or Agency administering the Conference Endowment Fund for payment in full to the Board of Pension & Health Benefits.