

These are the questions that were posed at the GA orientation session for commissioners at the 217th GA (2006) in Birmingham, AL. Several of these questions were not answered due to time constraints. Staff from the six agencies researched the issues raised and have provided these answers.

The General Assembly Council

1. We would like the denomination website to provide information on what the PC(USA) believes. This should be easily found: re: what do we believe about Scripture, etc.

The only official articulation of what the church believes is *The Book of Confessions*, and perhaps the first four chapters of the *Book of Order*.

For persons who are really interested, TAW has published "Selected Theological Statements of Presbyterian Church (U.S.A.) General Assemblies (1956-1998)" - an inelegant title, but an indispensable resource. Available through PDS. In addition, one of the best guides to the confessions is: "Conversations With the Confessions" (Geneva Press, 2005).

Presbyterians Today magazine publishes a continuing series of articles entitled: "What Presbyterians Believe" which can be found at www.pcusa.org/today/believe/believe.htm.

2. Members of my congregation would like to know if they make a designated gift to PDA and disagree with how or how long it takes to distribute it, if they have any recourse?

It is important to clarify what is meant by a "designated gift." Almost all funds received by PDA are "designated" for a particular disaster, and PDA develops a strategy to distribute these funds in the most effective manner. These designations are always honored.

In many disasters, special accounts are also set up to support church rebuilding, as distinguished from humanitarian relief in the impacted community. These funds are made available to congregations according to a distribution plan developed with the presbytery. In the Katrina/Rita disaster, a special Inter-Agency Task Force has been set up to coordinate the work of the synods, presbyteries, the Presbyterian Investment and Loan Program, the Board of Pensions, the Office of the General Assembly, and PDA. Rebuilding funds will be provided to congregations based upon plans developed by the presbyteries and approved by the Task Force, since it is not good stewardship to distribute the available funds without a plan based upon the mission strategies of the presbyteries. If the referenced designated gift was sent to this fund, its distribution awaits the development of such a plan.

Finally, there are legal restrictions on how closely a donor can direct their contribution and still have it count as a charitable contribution. PDA has been approached in the past, for example, by churches asking to designate their gift to a particular family. Such a restriction is not legal.

3. Within the structure is there room for movement to bring about true transformation?

The Biblical foundation used as the theme 2007-08 Mission Work Plan is taken from Isaiah 43:18-19a as follows,

Do not remember the old former things, or consider the things of old. I am about to do a new thing; now it springs forth, do you not perceive it?"Isa. 43:18-19a

Change is constant and necessary. With this in mind the GAC Mission Work Plan Task Force determined that a new way of approaching the work of the GAC was needed. Rather than focusing on the past models of work, the 2007-08 MWP was developed to set direction for what the Council believes to be the most crucial and obtainable objectives within the priority goal areas and to instruct staff to propose specific programs and budgets to reach the eight objectives. It is the Council's Work Team expectation that every ministry activity that occurs at the national office will contribute to achieving one or more of the objectives. Working collaboratively as teams, staff will be able to bring the best synergy to the table as they deliberate on how to implement the goals and objectives outlines by the Council. In partnership with presbyteries and their congregations, it is expected that staff will offer services, resources, programs, advocacy, or gathering that will equip, support, encourage, and facilitate new models of doing ministry together, unlike what has been accomplished in the past.

4. How will downsizing affect the local church? Are there alternatives?

In general, the downsizing should not affect the local church. Resources, programs and services will still be provided, however there will be more intentional efforts toward addressing the goals and objectives outlines in the 2007-08 Mission Work Plan, in partnership with presbyteries and their congregations. Programs that are not related to the MWP will no longer be done. As offices have been eliminated, in some cases that work has been transferred to existing networks that at one time related to an existed office, such as the Worldwide Mission Networks at which Presbyterians, congregations, organizations and individuals can come to learn about, strategize for and broker resources to support mission in particular countries. A few presbyteries have assumed some work in other various capacities.

5. Please talk about the impact of staff cuts on GAC and its organization.

Staff cuts in GAC and its organization enabled the elimination of redundancy and duplication of work, in addition clusters of work has been refocused and new positions created that will more effectively and with integrity, address the objectives of the Mission Work Plan. New possibilities are being identified that will greatly enhance the ministry by creating new programs using electronic tools to support presbyteries and congregations. More collaboration with ecumenical partners will take place, such as marketing tasks and efforts expanded through partnerships with other denominational publishers.

6. What got cut in GAC?

The Staff Leadership Team (the top leadership) will be refocused, reorganized and aligned with the new staff structure. Several support programs within the Office of Executive Director was eliminated due to the reduction in programs. Congregational Ministries cut programs within the Peacemaking Office, Theology and Worship, Congregational Ministries Publishing; National Ministries Division cut programs and refocused others within Justice and Compassion, Presbyterian Washington Office, Leadership and Vocation, and Evangelism and Witness; Worldwide Ministries Division cut some programs and refocused others within the Ecumenical Partnership and People in Mutual Ministries offices, and Global Witness and Service.

7. How do the Great Ends of the Church relate to the new 8 objectives?

One of the foundations of the 2007- 08 Mission Work Plan is the Great Ends of the Church which serves as its Mission Statement. It declares,

“The mission of the General Assembly Council, with congregations and governing bodies, is to offer the world a visible witness of Jesus Christ through (1) the proclamation of the gospel for the salvation of humankind; (2) the shelter, nurture, and spiritual fellowship of the children of God; (3) the maintenance of divine worship; (4) the preservation of the truth; (5) the promotion of social righteousness; and (6) the exhibition of the Kingdom of Heaven to the world. (Adapted from the Book of Order)

8. Under which ministry initiative does Social Justice come?

Currently the Social Justice work is lodged within the National Ministries Division, Justice and Compassion Program Area (formerly Social Justice Ministries and Racial Ethnic Ministries). The new staff structure will be developed over the next couple of months, this being the case; it is unclear at this point where the Social Justice work will be lodged. The new staff structure will be presented to the September 2006 General Assembly Council for approval.

9. Are the eight new goals of the GAC replacing the three divisions of the GAC?

No, the four (4) goals and eight (8) objectives will not replace the 3 divisions. The Mission Work Plan, which encompasses the goals and objectives are directives provided to the staff by the Council as the priorities for the next two years, focusing on resourcing eight areas of ministry, in partnership with the middle governing bodies and the rest of the church. As stated in the previous response (#16), the new staff structure is under construction and will be complete by the September 2006 General Assembly Council for approval.

10. How will the reorganization of the GAC impact the way the PC(USA) supports the ministry of our members.

The Mission Work Plan and reorganization of the GAC, was carried out with the ministry of our members in mind. The Council members, who served on the MWP Task Force, represented the congregational members of our denomination. They focused on the current context of the denomination and how these issues impact the “people in the pew.” They felt it important that the recommendations (goals and objectives) be firmly rooted in an understanding of the environment within which we seek to provide resources for ministry. They asked questions such as, “What factors in the recent past serve as prologue for our life together in the 21st Century? What has changed over the last half century and what will it mean for the future of the Presbyterian Church (U.S.A.)? These are some of the key dynamics that are part of the context in which the mission work plan was developed.

11. Where do I get Vacation Bible School materials?

2006 Bible school materials (Around the World in 5 Days: A Visit to the USA; director's guide \$39.95 - item 634900) are available from Presbyterian Distribution Service - 800-524-2612. Additional resources are available electronically at www.pcusa.org/webelieve/vbs Orders for Director's Guides can be also placed on the website.

2007 Bible school materials, "The Great Bible Reef," produced ecumenically with Augsburg Fortress publishing will be available in late October 2007. The resources can be reviewed online at the Augsburg Fortress VBS website by the end of September. The Presbyterian version of the materials called can be ordered from PDS by phone (1-800-524-2612) or online. The Presbyterian version can also be obtained from Augsburg Fortress.

12. Leadership in small churches: does this mean a focus on yoked churches?

Not just yoked churches, but appropriate leadership for all churches with 100 or fewer members. This is 48% of our PC(USA) congregations.

13. How will support for rural and small churches be carried out now that Diana Stephens is no longer the staff person associated with the rural and small church ministry network?

Support for rural and small churches is primarily carried out by presbyteries through the work of Committees on Ministry around leadership and through other committees that work with church development and transformation. The GAC's role is to resource and support the presbytery work by providing resources, consultation, and by sharing models of effective ministry. That is being carried out by the Office of Ministry Support/COM (Deborah Fortel) and by the offices of the Evangelism and Witness Goal Area which include existing staff, refocused work in the Metro Urban Office (Phil Tom), and 2 new positions focused upon resourcing church growth. In addition, staff working with the PC(USA) Call System are giving special attention to leadership needs of our smaller churches especially racial ethnic and multicultural congregations.

14. Please explain and describe one example of an alternate form of leadership that has been instituted in a small church by the PC(USA).

The resource *New Times, New Call; A Manual of Pastoral Options for Small Churches* (available through the Presbyterian Marketplace) describes many alternative models that are in use such as cooperative parishes, tentmaking or bi-vocational ministry, Commissioned Lay Pastors and more. Efforts are being made to encourage tentmaking ministry and develop ways to make this a viable option for congregations and Presbyterian ministers of Word and Sacrament. A forthcoming report from the Mission Work Plan "Hard-to-Call Project Team" will offer perspective and strategies to address the difficulties of small churches who have difficulty calling pastoral leadership.

15. What is a good way to find and apply for scholarships for seminary or theological students?

Financial support for theological study is unique for every student. However, there are at least four common denominators and partners that each student should consider in this process.

Local Congregations and Presbyteries:

Many congregations have endowments or scholarship programs. If a program is not in place, a congregational committee, special group, or the Session may be willing to make grants to students. The same could be true at the presbytery level. As a person becomes an inquirer with the Presbytery, the Committee on Preparation for Ministry and their local Session liaison can be helpful resources for seeking and finding financial aid. Don't forget to check with the Presbyterian Women (PW) organizations in your congregation and presbytery as well. PW has a long history of being deeply committed to education.

Presbyterian-related seminaries:

The financial aid and admissions officers at our ten PC(USA) related institutions are highly skilled at finding and assisting students in finding financial aid. Most seminaries have unique and generous scholarships, grants, loans, and programs to assist students according to their need and in light of their gifts. They may recommend a federal program that fits a student's needs. A conversation with one of these persons may be the most successful way of planning financially for a theological education. Congregational support of the Theological Education Fund (TEF) [line 25 of the annual denominational statistical report] is the only denomination-wide support for our seminaries and helps them make theological education more affordable. To connect with our seminaries visit this website: www.pcusa.org/seminaries/seminaries/index.htm .

PC(USA) Financial Aid for Studies Office:

A number of scholarships, grants, and loans are available through our denominational office. For more information please visit this website:

www.pcusa.org/financialaid/graduate.htm .

FTE- The Fund for Theological Education:

FTE is an ecumenical partner in support of theological education. They offer specific programs (www.thefund.org/programs/seminary.phtml) and an effective Internet search engine to help match students with financial aid programs from a wide variety of sources (www.thefund.org/programs/fellowships_plus.phtml).

Finding financial aid takes time, energy, and dedication. Those who seek aid should begin as early as possible. Often deadlines for aid applications are over six months before the aid is received. Starting early will pay off as funds may get pledged to other students. If you have further questions please feel free to contact the Office of Theological Education at 1-888-728-7228 ext. 5359 or RMcCutch@ctr.pcusa.org .

16. Where is pro-choice funding and lobbying support indicated?

The church does not have a special budget item for pro-choice. Policy support for reproductive options is found in several different offices but is a relatively minor expense. In particular, the Washington Office has a multi-issue public policy agenda as approved by the General Assembly with priorities set by the General Assembly Council. The Reproductive Choice issue is one among many, many issues we address within the Justice and Compassion Goal (area) as recently set by the GAC.

17. Has thought been given to bringing such conferences as the Pastors' Retreat to our own conference centers such as Montreat, Ghost Ranch, etc.

The Pastors' Sabbath Planning Team has wrestled with this question as various sites for the retreat were considered. In the end, the team decided to go to the "Snowbird Resort" because of lower costs and certain amenities that are not currently available at our retreat centers.

18. If the GA decides to divest from a company, which agency actually does the divesting?

The General Assembly action would urge the investing agencies — the PC(USA) Foundation/New Covenant Trust Company, and the Board of Pensions — to implement the General Assembly action insofar as they can within their fiduciary responsibilities. Therefore, any implementation action would be done by those investing agencies.

19. What countries are Presbyterian missionaries active in?

Presbyterian Missionaries are active in 65 countries.

20. What are the top 15 countries financial recipients of Presbyterian Mission funds?

Presbyterian Missionaries are active in 65 countries. The top 15 countries are: India, Malawi, Congo, Ethiopia, Liberia, Haiti, Egypt, Sudan, Indonesia, Kenya, Camerron, Peru, China, Kenya.

Presbyterian Publishing Corporation

1. Does PPC have any forthcoming comparative analyses of related (and contradictory) sectors of the Bible and the Quran. Perhaps intensely objective and in-depth rather than a cursory feel good ecumenical type book which would only look at common Abrahamic aspects?

No. WJK Press doesn't specialize in comparative religions. Many other good publishers do, but this is not one of our core competencies.

2. If your church subscribes to the "Thoughtful Christian.com" can individual members of the congregation access it?

Yes. A subscription to *The Thoughtful Christian.com* allows for multiple users, up to five. Each user has a unique login and password.

3. How can a person get a story published?

PPC seldom publishes fiction. Guidelines for submitting book proposals may be found on the PPC website: www.pppbooks.com Click on "Help" and then "FAQ" and instructions are provided there.

4. How many books do you publish a year?

In recent years, PPC has been publishing approximately 75 new books per year. We have over 1500 active titles in our backlist portfolio.

5. Has PPC considered (or do you already offer) making the Simpsons' book into a video game or the Harry Potter book into a card game? These might lend themselves to interactive learning that younger audiences might appreciate.

No, we have not considered spin-off products from the Simpsons and the Harry Potter book because the rights situation is so difficult. The images are trademark protected and the original holders are very stingy about granting permission to use those images. We were in protracted

negotiations to use the cover graphics on our books and we still were required to print disclaimers.

6. In the books without border project, do you prefer donations of books or monetary donations? How can I participate?

In the Books Without Borders project, we don't need book donations since we send original PPC book publications to the 25 seminaries. We are in a partnership with Worldwide Ministries Division on this project and they subsidize the freight costs. Any monetary contributions we were to receive would allow us to expand our offerings and/or help cover shipping charges.

Presbyterian Investment and Loan Program

1. Is PILP compatible with or in competition with synod investment and loan programs?

The Investment and Loan Program is dedicated to helping churches get the best loan package available and thus works in concert with synod and presbytery loan programs. The Investment & Loan Program provides loans from two different sources of funds - endowment funds of the PC(USA) and investor funds raised by the Investment & Loan Program. The endowment funds are available to churches in all synods.

Three synods (Alaska-Northwest, Pacific and Mid-America) also offer loan funds from their own investor program. In these synods, PILP supplies the endowment funds while the synod supplements the churches' borrowing needs with their own investor funds. Occasionally, these synods may request that the Investment & Loan Program support one of their churches with PILP investor funds. In a few cases, other synod programs have helped fund loans in PILP's area upon request. Thus, we work cooperatively.

PILP and the three synods work together to provide the best financing package available to the borrowers. Many presbyteries also have limited loan funds for small projects. By keeping the presbyteries in the loop in the lending process, churches will know if the presbyteries have funds available for small projects.

2. Are there criteria for congregations to qualify for loans from the Investment & Loan Program? What are these criteria?

Yes. First, the loan must be for capital projects (expanding buildings, new construction, remodeling, improving accessibility, site purchases, general building improvements, etc). Secondly, the Investment & Loan Program works with the leaders of the congregations and presbyteries early in the planning process. This way we can help them know what size project (and resulting loan) would be affordable before too much money is spent on architectural and engineering fees.

We are not just concerned with their ability to repay the loan. We help them reach an understanding of what size project can be undertaken without having a detrimental effect on their

mission and ministry budgets. The underwriting process does have several measures or criteria which evaluate the prudence of the loan amount. The primary ones are those that indicate the church's ability to make the monthly payments, how the payments will be funded, the size of the loan relative to the size of the congregation, and the size of the annual debt payments relative to the churches' ability to generate pledges (to operating budget and capital campaign).

3. Do all agencies follow the guidance of MRTI in selecting instruments?

PILP's investor funds are primarily invested in mortgages with Presbyterian churches and entities. Those investor funds awaiting disbursement (i.e. construction loan commitments) or uncommitted funds are invested in short-term investments such as commercial paper, treasury bonds and certificates of deposit. We do follow the guidelines of MRTI when selecting short-term investments.

The endowment funds loaned by PILP are assets of PC(USA), A Corporation or the Presbyterian Foundation. Endowment funds not currently on loan are invested by the Presbyterian Foundation under the guidelines of MRTI.

The Presbyterian Board of Pensions

1. What is the net worth of the Board of Pensions?

The proper focus is on the “net worth” of each part of the Benefits Plan referred to as “reserves”. These are detailed in our annual report available through www.pensions.org.

2. Where can I read your annual reports?

Our annual report is available through our website, www.pensions.org.

3. Are BOP monies invested in companies that we are divesting?¹

The Board of Pensions complies with long-standing policies of the General Assembly on questions of divestment.

In all its corporate actions, the Board of Pensions strives to support the mission of the Presbyterian Church (U.S.A.), including the social witness policies adopted by the General Assembly, insofar as legally permissible. Sometimes there is apparent conflict between the social witness desires of the denomination and our legal duties to members of the Benefits Plan.

First, the Board of Pensions, as a Plan fiduciary, has a legal “duty of loyalty” to act in the sole and exclusive interests of the Benefits Plan members. Our fundamental obligation is to maintain the financial and actuarial soundness of the Benefits Plan. The Board of Pensions has established investment policies that it believes are completely faithful to those legal obligations.

¹ This answer also addresses the questions posed to “All Agencies” and to the GAC on divestment.

Second, the Board also has a legal “duty of care” to see to it that sufficient funds are available to keep the promises made to Plan members, both current and future. Selling or buying securities based on social witness principles could easily translate into taking on too much or too little risk at any given point in time for reasons that are unrelated to the best interests of the Plan’s members. The Board of Directors has adopted detailed investment policies governing the allocation of the Plan’s investments in various asset classes and the selection of managers for those asset classes. This allocation is the primary way we manage our risk. The investment managers are responsible for the selection of individual investment holdings. We are responsible for selecting the investment managers, and this selection process is another of our risk management tools.

To avoid taking on liability for a fiduciary burden of its own, the General Assembly has delegated responsibility for administration of the Benefits Plan and investment of Plan assets to the Board of Pensions. This is an important separation. Thus, the General Assembly does not direct the Board of Pensions to sell an investment held by the Benefits Plan and does not direct that the Board of Pensions buy any specific security. It does advise the Board and urge it to take certain actions from time to time. We are careful to listen to the General Assembly. The Board of Pensions must (and does) make its own, independent judgments based on its legal duties of loyalty and care. This separation of duties is in the interests of the denomination, of the Benefits Plan and of the members of the Plan.

Having said that, it is our often-expressed desire to support the declared social witness policies of the denomination as best we can.

Divestment

The Board of Pensions actively participates as a member of the denomination’s Committee on Mission Responsibility Through Investment (MRTI). Under long-standing policies and practices of the General Assembly, MRTI recommends that a company be added to the General Assembly’s divestment list after (a) undertaking a thorough and comprehensive research of the company’s involvement in an objectionable practice, (b) the company has been engaged in constructive dialogue about those practices through meetings and shareholder resolutions and (c) it is determined that no lesser alternative action is available, among other steps approved by the General Assembly in the 1980’s. Ultimately the General Assembly determines, upon receiving such a recommendation, (1) whether divestment of investments in a particular company is appropriate and (2) what will be effective social witness action for the Church and its entities to undertake.

When and if a company is added to the General Assembly’s divestment list, the Board of Pensions has adopted a formal process to ensure that divestment of the Plan’s investments in that company will not harm the financial soundness of the Plan. The Board’s investment policies provide for observance of the General Assembly’s divestment policies by the investment managers of the Benefits Plan assets, unless the investment manager responsible for the investment decisions for an account concludes that it will not be able to meet its performance benchmarks for the account without holding a security listed on the divestment list. In such event, the manager may request an exception to the restriction on investing in companies on the

General Assembly's divestment list from the Investment Committee and, if the Committee concludes that the manager's request is reasonable, it will grant the manager an exception to the policy.

Our divestment practice is one of a "limitation of ownership of" rather than one of an "immediate sale of" securities listed for divestment.

There are two levels of decision because of the differing responsibilities and accountabilities of the decision-makers.

The Investment Manager must decide whether not owning a divestment list security will harm the portfolio results. If the manager decides that failure to own will not harm results, there is no issue as to portfolio performance. If the manager decides that failure to own will harm portfolio performance, the manager asks us for an exception. The decision then becomes one for the Board of Pensions.

For the Board of Pensions, it is inappropriate for us to fail to act. Failure to act would not be consistent with our duty of care. In other words, we are obligated to independently decide whether or not to initiate divestment, or to grant an exception.

For example,

Stock A is placed on the divestment list for the first time. Manager X owns Stock A. When the divestment list is updated, we advise Manager X that Stock A may be retained or purchased until such time as it is part of their normal sell discipline. Once sold, any repurchase requires an exception from the Board of Pensions.

If Manager X does not own the stock, any initial purchase requires an exception.

From time to time, securities are removed from the divestment list.

Affirmative Investment

For the same reasons that we are limited in our ability to divest, we are equally limited in the degree to which we may follow the advice of the General Assembly in selecting investments to buy for the portfolio. When we begin telling our investment managers to actively purchase securities, we are becoming the portfolio managers ourselves. We are able to do this with a small portion of our Assistance programs funds, not otherwise restricted, and we do hold minimal amounts of securities not otherwise appropriate for our fiduciary portfolio in order that the Church can propose shareholder resolutions from time to time. But these holdings are at minimum levels.

4. What would be the impact of each congregation paying the same % regardless of size of congregation?

Each congregation does already pay the same percentage regardless of its size. The percentages are 11% for pension, 1% for death and disability protection, and 19% for medical coverage. They are applied to the Effective Salaries each employing organization pays.

5. Have you considered "selling out" the insurance-to-insurance companies? Many clergy feel the health coverage is a financial burden: e.g. high co-pays and high out of pocket expenses.

For a group of our size, an insurance company will price its product based on our history of claims experience, so there is no opportunity for some kind of "windfall." We have already established that our contract with Blue Cross and Blue Shield, through Highmark, gives us access to the best discounts available in the marketplace, saving the Plan in excess of \$90 million per year against undiscounted prices.

Whether provided through an insurance company or through self-insurance, reduced co-pays or deductibles would have to be paid for by higher premiums or dues.

To buy an insurance contract for medical coverage would only add to cost, not reduce it. Presently the program is self-insured and our expenses are limited to administrative costs on top of actual claims. If we were to buy insurance, we would take on the additional expense of buying insurance risk protection, plus incur an insurance company profit load.

6. Are there any plans to increase the amount of payment through the major medical program to help defray the rising costs of preventive medicine, especially in the areas of annual exams and screening tests?

The Medical Plan already provides full reimbursement for network preventive health services as recommended by the U.S. Preventive Health Services task force, with only \$25 office co-pay required. The schedule is updated each year to reflect any changes. Please consult your Healthcare Coverage booklet for specific details or check our website at www.pensions.org.

7. Are there any plans to make it more cost effective for church employees to receive health insurance from the Major medical health plan?

We assume from the question that the concern is to have coverage available at a lower price. Unfortunately, given the current cost of medical care, there is no way to provide the present level of benefits at a lower cost. Under the Benefits Plan, dues are linked to salaries so that those employing organizations paying lower salaries are able to provide family coverage for their employees at a subsidized cost. Minimum medical dues, for example, are \$5,743 in 2006 (\$478.56 per month) whereas our family coverage actually costs \$12,456 (\$1,038 per month), a very significant subsidy. For employees not serving in called and installed positions, alternate medical coverage may be available through our Affiliated Benefits Program at an annual cost of \$4,764 for single coverage, and \$12,456 for a family.

8. Why is it that when a minister leaves a position and doesn't receive a call for three years, that minister has to re-apply for benefits, especially having been a member for 15-20 years?

When a Plan member leaves a position, medical benefits continue for a period of eighteen months (similar to continuation of benefits coverage by commercial employers). After the continuation period, active Plan participation ceases, and reenrollment is necessary to activate benefits because the member's personal and pay circumstances most likely will have changed and our records must reflect the member's current situation.

9. Are rising health care costs jeopardizing the future of the PC(USA)'s pension programs?

No, because the funds are segregated and Pension Plan assets are not available to cover medical costs. The Pension Plan receives about \$65 million in dues and pays out about \$250 million in pension benefits. It is fully funded and heavily dependent on the performance of the investments held in the Pension Trust. The Medical Plan is "pay as you go" and the dues received are paid out for claims and administrative costs.

10. Is there anyway to subsidize health insurance for seminary students?

Coverage is already subsidized. The annual dues for family coverage for a seminary student are \$5,743 (versus a cost of \$12,456). For a single student the annual medical dues are \$3,264 (versus a cost of \$4,764).

11. The "short term disability" provision does not provide any income until 3 months after a person is disabled. Few pastors can live without a paycheck that long and few churches can pay their pastors and a temp replacement. How can we change this?

The Board of Pensions could add a short-term disability benefit to its offerings with an additional dues requirement. We actually surveyed churches a few years ago to determine the level of interest in such a benefit and found that there was almost none, which is why the option has not been pursued. Some states provide mandatory short-term disability funds through state-sponsored programs.

12. Is the healthcare provider re-evaluated annually? (BC/BS-Highmark) I have found them to be a poor value (out of pocket costs, inefficiency) for the great cost involved?

The Board of Directors of the Board of Pensions determines benefit levels for the Medical Plan. Highmark serves only as a third party claims administrator through which we receive processing services and the advantage of substantial BC/BS discounts for provider services. On an annual basis, the Board does review Highmark's administrative fees and performance levels and there are financial penalties if Highmark fails to meet certain performance standards.

The Presbyterian Foundation

1. What is the net worth of the Presbyterian Foundation?

\$1.8 billion assets under management

2. Where can I read your annual reports?

Individuals can request an annual report from the Foundation (check web site).

3. What is the % overhead for the Presbyterian Foundation for administration costs?

Administration costs are less than 1% of assets.

4. Have recent actions of General Assemblies affected fundraising for the Foundation?

No.

5. What is the Presbyterian Foundation doing to assess small churches in getting reports of endowments and managed gifts in a timely fashion?

Reports are mailed to all institutions on a timely basis regardless of the size of the account.

6. Is the Foundation encouraging gifts from small churches for endowments to be used in their ministry?

Yes--the bulk of gifts received come from small churches.

Office of the General Assembly

1. Why did GA vote to close the Montreat Office (Department of History) in North Carolina when funds were offered to keep it open?

The annual cost to operate the Presbyterian Historical Society's regional office in Montreat is approximately \$500,000 (which includes program and building staff, specialized building services, security, insurance, etc.). The Friends of the Historical Foundation had raised about \$550,000 in pledges. That money and the approximately \$40,000 annual endowment income dedicated to specific functions at the Montreat office represents slightly more than one year of operating expenses. This amount did not ensure the Church would be able to provide good stewardship of the historical materials for this and future generations.

2. How can we insure that the Historical records will be preserved in accord with the Book of Order?

Once governing bodies no longer need records for day-to-day use, the *Book of Order* (G.9-0406) offers them the option of depositing them with the Presbyterian Historical Society or with a PC(USA) seminary library that has adequate temperature and humidity controls. As the national archives of the PC(USA), the Presbyterian Historical Society provides resources on its website (www.history.pcusa.org), through workshops, and in individual consultations for congregations, presbyteries, synods, and national agencies about BOO provisions and records management and preservation techniques.

3. What is the forecasted percentage increase for the next year? These increases continue to have an adverse impact on small churches.

There has been no increase in the per capita budget for the next year. In fact, the proposed per capita budget for 2007 reflected an 18% reduction compared with 2006 (reduction of about \$2.7 million - no General Assembly meeting). The budget proposed for 2008 also had a reduction of 1.5% compared with the 2006 budget, although higher costs are estimated for 200 additional commissioners to the General Assembly and the higher costs of holding an assembly in the West coast. This has been possible due to other measures of reduction undertaken by OGA as described in the "budget rationale" of Item 03-13 in the reports to the 217th General Assembly.

After annual adjustment for membership and revenue, the proposed per capita rate increase was held below the inflationary rate, at 2.7% for 2007 and maintained at the same level for 2008 (inflation estimated to be over 3%). The financial implications of actions approved by the 217th General Assembly, necessitated an increase of 7 cents per capita each year 2007 and 2008, thus causing a total per capita increase of 3.9% for 2007, to be maintained at the same level for 2008 without additional increase.