

2026 CAL-PAC PRELIMINARY REPORT

the breakdown used, in order to be competitive in the local area from which applicants are more often drawn for these positions.

- The California minimum wage for all employers in California in 2027 is currently \$16.90, except where local ordinances set a higher rate. The amount of the increase cannot be any higher than 3.5%. Therefore, it's recommended that we base our assumptions on a 3% increase for 2027, which results in a minimum wage of \$17.41.

The recommended salary ranges for 2027 are aged from the 2026 ranges by 3%, which is the COLA recommended by CFA and SRC for 2027 and is consistent with the aging formula recommended by the Center for Non-Profit Management. Exceptions are for the salaries that are calculated by formula.

Exempt Minimum Salary

- California laws require that an employee classified as exempt must earn a monthly salary equivalent to no less than two times the state minimum wage for full-time employment. For 2027, based on an anticipated state minimum wage of \$17.41 per hour, as described above, an exempt employee must be paid no less than \$72,413. (Calculation: \$17.41 x 2080 hours x 2) Entry-level management positions classified as exempt must be placed at \$72,413, even if a smaller number might appear to be warranted by survey data.

Camping Salaries

- For the Camp Director and Management positions, the overall numbers and totals in the American Camp Association survey have outlived their usefulness in California, due to the above-mentioned Exempt Minimum Salary levels.

The minimum salaries for the exempt camping positions reflect what is assumed to be the exempt minimum salary in California if the inflation adjustment is implemented. The median and maximum salaries for these positions are set at 3% over the median and maximums for 2027 so as to maintain a distinction between director and management level positions.

REC 26-09 | BUDGET WITH NARRATIVE

California Pacific Annual Conference of the United Methodist Church 2027 Proposed Apportionment Budget					
	2025 Budget	2026 Budget	2027 Total Budget	Non-Apport. Prog. Funds	2027 Apport. Budget
Revenue					
General Church	2,395,675	2,487,511	2,531,586		2,531,586
Jurisdictional Church	75,954	75,954	75,954		75,954
Annual Conference	8,292,295	7,512,425	7,307,529		7,307,529
Subtotal	10,763,924	10,075,890	9,915,069		9,915,069
Gap on Apportionment Payments	1,036,000	673,062	(94,536)*		1,245,507
Total Revenue	9,727,924	9,402,828	10,009,605		8,669,562

* Preliminary Gap number does not include non-apportioned program funds of \$1,340,043.

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	2025	2026	2027 Total	Non-Apport.	2027 Apport.
	Budget	Budget	Budget	Prog. Funds	Budget
Expense					
World Service	1,093,422	1,135,339	1,155,455		1,155,455
Ministerial Education	378,213	392,710	399,668		399,668
Black College Fund	150,865	156,648	159,424		159,424
Africa University	33,763	35,057	35,678		35,678
Episcopal Fund	538,965	559,626	569,542		569,542
General Administration	184,796	191,880	195,280		195,280
Interdenominational Fund	15,651	16,251	16,539		16,539
Total General Church	2,395,675	2,487,511	2,531,586		2,531,586
Western Jurisdiction	75,954	75,954	75,954		75,954
Episcopacy					
Episcopal Area Office	356,102	356,102	371,233	(112,000)	253,608
Episcopal Residence	21,000	21,000	26,100	(10,000)	16,100
Episcopacy Committee	1,000	1,000	1,000	-	1,000
Total Episcopacy	378,102	378,102	398,333	(122,000)	270,708
Council on Finance and Admin., Trust., Conf Ctr					
Council on Finance and Administration	700,000	800,000	983,834	(240,000)	743,834
Trustees	500,000	500,000	150,000	-	150,000
Conference Center Operations	350,000	350,000	467,655	-	467,655
Capital Replacement Fund	25,000	25,000	25,000	(25,000)	
Working Capital					
Archive and History	35,000	37,000	27,618		27,618
Database & Special Events Coordinator					
Total Finance and Administration	1,610,000	1,712,000	1,654,107	(265,000)	1,389,107
Other budget lines under Finance & Administration					
Congregational Loan	100,000	100,000	100,000	(100,000)	-
Allowance for Insurance Non-Payment	120,000	96,000	96,000		96,000
Allowance for the Gap on Apportionment Payments					
Total Other budget lines under F&A	220,000	196,000	196,000	(100,000)	96,000
Board of Pension and Health Benefits/ HR					
Human Resource Administration	56,100		173,043	(123,043)	50,000
Retiree Health Reimbursement Account					
Health Benefits - Clergy Medical Leave	61,000	61,000	25,000	(25,000)	
Total Board of Pension and Health Benefits/HR	117,100	61,000	198,043	(148,043)	50,000

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	2025	2026	2027 Total	Non-Apport.	2027 Apport.	
	Budget	Budget	Budget	Prog. Funds	Budget	
District Superintendents and District Office Ministries						
East District Office	276,249	260,097	284,736		284,736	
Hawaii District Office	381,992	365,299	358,993		358,993	
North District Office	346,409	343,170	351,269		351,269	
South District Office	320,658	332,512	329,628		329,628	
West District Office	378,191	333,088	326,494		326,494	
DS Transition	600	500	500		500	
Cabinet Resources	25,000	20,000	20,000		20,000	
Sustentation	15,000	7,500	7,500		7,500	
Pastoral Transition	10,000	10,000	10,000		10,000	
Moving	300,000	300,000	300,000	(50,000)	250,000	
Total DS and District Office Ministries	2,054,099	1,972,166	1,989,120	(50,000)	1,939,120	
Camping & Retreat						
Central Office	108,865	87,092	96,920	-	96,920	
Connectional Ministry						
Connectional Ministry Operations	1,010,000	1,010,000	989,847	-	989,847	
Leadership						
Leadership Operations / <i>Discipleship, GW</i>		-	75,000	-	75,000	V
Board of Ordained Ministry	257,000	152,323	162,000	-	162,000	E
Orders	4,500	500	5,000	-	5,000	E
Laity Council	10,000	8,000	46,000	-	46,000	E
Total Leadership	271,500	160,823	288,000	-	288,000	
Justice and Compassion Ministries						
Justice and Compassion Oper. / <i>Clergy Wellness</i>			60,000	(60,000)	-	H
Church and Society	60,000	25,000	25,000		25,000	C
Ministry Enabling	50,000	70,000	75,000		75,000	C
Global Ministry	45,000	30,000	30,000		30,000	C
Total Justice and Compassion Ministries	155,000	125,000	190,000	(60,000)	130,000	
New Ministries						
New Ministries Operations			35,000	(35,000)	-	B
Young Generations	-	-	100,000	(100,000)	-	B
Grant	310,000	248,000	250,000	(240,000)	10,000	V
Vitalization	42,000	33,500	38,000	(35,000)	3,000	V
Multiplication	10,000	8,000	8,000	-	8,000	V
Training	50,000	40,000	58,000	(35,000)	23,000	V
Total New Ministries	412,000	329,500	489,000	(445,000)	44,000	
Hispanic Ministries						
Hispanic and Border Ministry	-	-	25,000	(25,000)	-	

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	2025	2026	2027 Total	Non-Apport.	2027 Apport.
	Budget	Budget	Budget	Prog. Funds	Budget
Equitable Compensation					
Equitable Compensation	237,500	213,750	213,750	-	213,750
Vital Presence	142,500	128,250	135,945	-	135,945
Total Equitable Comp	380,000	342,000	349,695		349,695
Communications					
Communications	281,629	254,280	272,000	-	272,000
Communications Commission	1,000	1,000	1,000	-	1,000
Total Communications	282,629	255,280	273,000		273,000
Other Committees and Commissions					
Conference Secretary	3,000	2,400	2,000	-	2,000
Claremont School of Theology	30,000	24,000	-	-	-
Sessions	200,000	160,000	238,000	(125,000)	113,000
Commissions and Committees	4,000	4,000	5,000	-	5,000
General/Jurisdictional Conferences	20,000	20,000	20,000	-	20,000
Total Committees	257,000	210,400	265,000	(125,000)	140,000
Subtotals					
GC and JC Total	2,471,629	2,563,465	2,607,540	-	2,607,540
Annual Conference Total	7,256,295	6,839,363	7,402,065	(1,340,043)	6,062,022
Total Expense	9,727,924	9,402,828	10,009,605	(1,340,043)	8,669,562

*Notes: V=Vitality, E=Essential Ministries, H=Healing & Retreat, C = Community Engagement, B = Belonging
New programs in red font.*

Supplement to the Proposed 2027 Apportionment Budget

This detailed narrative serves as a supplement to the proposed 2027 apportionment budget and is provided for better understanding of the budget line items.

The Apportionment Formula Task Force met several times throughout the year to review last year's proposed rule change 25-05. They ultimately presented a recommendation to the full body of CFA to move from a grade figure formula to a tiered tithing model. The new formula better reflects the churches' capacity to pay apportionments, additional detail on the new apportionment formula can be found on page PR-92 of this Preliminary Report.

An emphasis on aligning Conference assets with mission needs required the study of all our assets including invested funds. The Conference currently has over \$34 million in assets at the Cal-Pac Foundation consisting of over 33 separate funds, each with separate missional objectives. An invested asset spending plan was incorporated to utilize the investment gains of the funds at a level that provides for sustained growth of the fund while providing the Conference additional funds for mission use. A 4% spending plan target makes available over \$1.3 million to Conference programs to either provide additional source of funds for new programs or to offset existing costs. The proposed budget format includes additional columns that include an unapportioned budget which includes the total "internal" budget for the Conference, a non-apportioned program fund column which includes funds used from

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1 our new asset spending plan, and an apportioned budget which shows the actual amount that will be
2 apportioned to Churches.

3
4 Also incorporated in the budgeting process this year was the partnership of the Connectional Table
5 (“CT”). The CT started meeting over one year ago to begin a strategic planning process to identify and
6 prioritize mission needs. The result was a focus on five programmatic areas:

- 7
- 8 • Belonging (B): Center discipleship by forming people who grow in faith, live out the gospel,
9 and participate in God’s mission in their daily lives, and commit to young people’s ministry.
- 10 • Community Engagement (C): Support for mission work, training and advancing strategic
11 partnerships
- 12 • Essential Ministries (E): Increase collaboration with church support, storytelling and e-learning
- 13 • Healing and Retreat (H): Invest in healing trauma by responding to emotional and spiritual
14 wounds.
- 15 • Vitality (V): Enable new expressions of ministry, leadership and ethnic gatherings.
- 16

17 Each of these areas and their prioritized work are represented in this budget. Specific programmatic
18 references are shown on column notations.

19 In summary, with the addition of approximately \$1,340,043 in non apportioned programmatic funds
20 that offset expenses, the 2027 proposed apportioned budget of \$8,669,562 is an overall decrease of
21 \$733,266 (7.8%) from 2026. We will continue the work of aligning Conference assets with missional
22 needs with a focus on sustainability and mission alignment.

23
24 I hope you will make plans to join us on Monday, June 8th from 7pm to 9pm (PDT) for the pre-
25 conference briefing where we will take a closer look at the budget and answer any questions you might
26 have. If you don’t make it to the event, there will be a recording of the call posted on the Conference
27 website shortly thereafter.

28
29 If you have additional questions, please do not hesitate to reach out to me at
30 ryamamoto@calpacumc.org.

31
32 Respectfully submitted,
33 **Robert Yamamoto**
34 **Chief Finance and Benefits Officer**

35
36
37 The Annual Conference Apportionment Budget is divided into three sections.

38

I.	General Church	\$2,531,586
II.	Western Jurisdiction	\$75,954
III.	California-Pacific Annual Conference	\$7,307,529
	Total Proposed Budget	\$9,915,069

39

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1 I: GENERAL CHURCH \$2,531,586:

2 The General Church budget amount is established by The General Council on Finance and
3 Administration (GCFA) to fund the programs and ministries for the seven funds outlined below. The
4 California-Pacific Annual Conference remits its share of connectional giving regularly to GCFA based
5 upon actual giving from local churches.
6

- 7 1. *World Service Fund:* \$1,155,455 – The World Service Fund is the heart of our collective Church
8 ministry. It funds the work of the Church reaching out into the world. The World Service
9 Fund provides financial support for the worldwide ministries of our denomination through the
10 ministries of our general Church. Through World Service funding, agencies support annual
11 conferences and local congregations in living out God’s mission for the worldwide Church.
12 General agencies also provide essential services and ministries beyond the scope of individual
13 local congregations and annual conferences through services and ministries that are highly
14 focused, flexible, and capable of rapid response.
15
- 16 2. *Ministerial Education Fund:* \$399,668 (75% to the General Church and 25% to the conference)-
17 The Ministerial Education Fund is used “to enable the Church to unify and expand its program
18 of financial support for the recruitment and education of ordained and diaconal ministers and to
19 equip the annual conferences to meet increased demands in this area.” (The Book of Discipline
20 ¶816). The largest portion of the funds collected go to support theological schools (usually,
21 seminaries) of the United Methodist Church. However, the Annual Conference retains 25% of
22 apportionment funds remitted for use by the Conference’s Board of Ordained Ministry to
23 support the education of our clergy. The Ministerial Education Fund assists local churches in the
24 development of current and future clergy leaders to guide local churches in their efforts to make
25 disciples for Jesus Christ.
26
- 27 3. *Black College Fund:* \$159,424 - The Black College Fund (The Book of Discipline ¶815) began
28 in 1972 as one of the apportioned General Church funds. The objective of the fund is to provide
29 financial support for institutions of higher education that have historically served the educational
30 needs of black students. The 11 U.S. historically Black colleges and universities supported by
31 The United Methodist Church have played a unique role in U.S. higher education. Their
32 graduates—teachers and doctors, ministers and bishops, judges, artists and entrepreneurs—are
33 leaders in the African-American community and in a rapidly changing, more diverse United
34 States. The Black College Fund assists local churches in reaching out to improve the lives of
35 dedicated and ambitious young people of color, who might otherwise have no means to fulfill
36 their life potential.
37
- 38 4. *Africa University Fund:* \$35,678 - Three decades ago, when African Bishops of The United
39 Methodist Church surveyed the emerging socio-economic and political needs in their countries,
40 they called on the church to invest in higher education in Africa. At the cry of Bishops Arthur
41 Kulah and Emilio J.M. de Carvalho—for “a university for all of Africa”—The United Methodist
42 Church worldwide responded. Founded in 1992, Africa University is educating leaders in the
43 continent of Africa who bring hope to the community. Located in Old Mutare, Zimbabwe, our
44 apportionment giving to Africa University is extremely important. Six (6) undergraduate
45 faculties (equivalent to bachelor’s degrees) are offered and five (5) graduate faculties (equivalent
46 to master’s degrees) are offered. The student body has reached an enrollment level of around
47 2,400 full-time students from 31 African countries, 59% of whom are female. Africa

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1 University's more than 12,000 alumni have solidified the university's status as a leadership
2 preparation institution with a high graduation rate. They are college and seminary presidents,
3 faculty members, district superintendents, communicators, hospital and clinic managers, farmers
4 and agricultural extension workers, and leaders in every walk of life. More information is
5 available at www.africau.edu
6

- 7 5. *Episcopal Fund*: \$569,542 - The Episcopal Fund supports active and retired bishops, and
8 provides for active bishops' salary, office and travel expenses. (The Book of Discipline ¶819).
9 Bishops oversee the United Methodist faith community. Bishops assist local churches by
10 appointing pastors, guiding the work of the Cabinet, encouraging leaders of all kinds, providing
11 guidance and leadership to every level of the United Methodist Church.
12
- 13 6. *General Administration Fund*: \$195,280 - The General Administration Fund provides for the
14 expenses of the sessions of the General Conference, the Judicial Council, special commissions
15 and committees constituted by the General Conference, and other administrative agencies and
16 activities recommended for inclusion in the general administration budget by the General
17 Council on Finance and Administration and approved by the General Conference." (The Book
18 of Discipline ¶813). The General Administration Fund supports the critical work of the church,
19 making such it less visible than many of our other missional expressions. The General
20 Commission on Archives and History budget is also included under this line.
21
- 22 7. *Interdenominational Cooperation Fund*: \$16,539 - This fund provides United Methodist Support
23 of the basic budgets of those organizations that relate to the ecumenical responsibilities of the
24 Council of Bishops." (The Book of Discipline ¶814). Participation in ecumenical efforts reminds
25 us that we are not alone in our work for Jesus Christ. Established in 1952, the fund enables
26 United Methodists to have a presence and a voice in the activities of the World Council of
27 Churches, World Methodist Council, Pan-Methodist Commission and the National Council of
28 the Churches of Christ in the USA.
29

30 More information is available at www.gcfa.org/reports

31 II: WESTERN JURISDICTION: \$75,954

32 The Western Jurisdiction ("WJ") Conference is a regional organization of the United Methodist
33 Church. The Jurisdictional Church Fund serves local churches by providing the means to elect leaders
34 who are integral to the life of the church and by extending the missional reach of each congregation. The
35 jurisdictional conferences promote the evangelistic, educational, missionary, and benevolent interests of
36 our Church and provide for interests and institutions within their boundaries. The WJ is comprised of
37 seven annual conferences: Alaska, California-Nevada, California-Pacific, Desert Southwest, Mountain
38 Sky, Oregon-Idaho, Pacific Northwest.
39

40
41 More information is available at www.westernjurisdictionumc.org
42

43 III: CALIFORNIA-PACIFIC ANNUAL CONFERENCE: \$7,307,529 (includes \$1,245,507 for the 44 Allowance for the Gap on Apportionment Payments) 45

46 This section of the budget represents the direct costs of administration for the services and programs of
47 the annual conference.

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EPISCOPACY

1
2
3 *Episcopal Area Office: \$253,608* – The Office is located at the United Methodist Center in Pasadena,
4 CA. It serves local churches and the denomination by providing a place to connect with the Bishop and
5 the Cabinet. The Office will receive \$82,000 from the General Church Episcopal Fund in 2027. Along
6 with the apportioned budget, these funds are used for the Assistant to the Bishop (“A2B”) and one full
7 time support staff’s salaries, benefits, travel and other expenses related to running the office. The
8 General Church Episcopal Fund also reimburses travel expenses for the Bishop up to \$30,000.

9
10 *Episcopal Residence: \$16,100* - This is Conference owned property located in Pasadena that has been
11 recently renovated. This line item covers the expenses related to taxes, insurance and other operating
12 expenses. The General Church Episcopal Fund provides a subsidy of \$10,000 each year to assist with
13 expenses.

14
15 *Episcopacy Committee: \$1,000* -The responsibilities of the Conference Committee on Episcopacy are
16 found in The Book of Discipline ¶637. The Committee supports the Bishop of the Los Angeles area in
17 the oversight of the spiritual and temporal affairs of the Church. The Committee assists in the
18 determination of the episcopal needs of the area and makes recommendations to appropriate bodies. *It*
19 *also* keeps the Bishop advised concerning conditions within the area as they affect relationships between
20 the bishop and the people of the conference agencies. *It also* engages in annual consultation and appraisal
21 of the balance of the Bishop’s relationship and responsibilities to the area and annual conferences, the
22 jurisdiction, general church boards and agencies, and other areas of specialized ministry, including, at all
23 levels, concern for the inclusiveness of the Church and its ministry with respect to sex, race, and national
24 origin, and understanding and implementation of the consultation process in appointment-making.

COUNCIL ON FINANCE AND ADMINISTRATION, TRUSTEES, CONF. CENTER

25
26
27
28
29 *Council on Finance and Administration: \$743,834* - The Treasurer’s office is responsible for managing
30 the annual financial operations which include the apportioned budget, investment activities of
31 Foundation and retirement fund assets, and property, liability and health insurances This budget pays
32 for the personnel and operating expenses of the Chief Finance and Benefits Officer’s office, controller,
33 Accounts Payable and Accounts Receivable staff, accountant/payroll administrator, IT coordinator and
34 the administrative assistant to the CFBO’s position. Also included in this line item are fees for the
35 external audit, bank charges and fees. Included in the programmatic fund offset are funds from the non-
36 apportioned 2% from pension billing to offset costs associated with retirement and insurance benefit
37 management. The budget amount includes an application of \$240,000 from the administrative fees tied
38 to Pension and Health Benefits billing to reduce overall apportionment.

39
40 *Trustees: \$150,000* - The Conference Treasurer and Board of Trustees maintain an oversight of about 7
41 Conference-owned properties, including the United Methodist Center. The Trustees become the
42 custodians of local church properties when they are abandoned. This fund primarily pays for the legal
43 expenses, insurance expenses – conference property and liability, conference director and officers, crime,
44 employment practices liability, fiduciary liability, cyber, internet, professional, and umbrella as well as
45 shared cost for camp liability coverage.

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1 *Conference Center Operations: \$467,655* - This budget line supports the operating expenses including
2 utilities, equipment contracts, repairs and maintenance of the center, storage, shipping, postage, and
3 taxes.
4

5 *Capital Replacement Fund: \$25,000* – The purpose of this line item is to assist with any unexpected
6 capital expenditures. The Board of Trustees will use previously designated funds to use in place of
7 apportioned funds.
8

9 *Archives and History: \$27,618* - The very extensive responsibilities of the Commission on Archives and
10 History are found in The Book of Discipline ¶641. These funds are utilized by the Conference's
11 Commission on Archives and History for a part-time staff member, meeting expenses and programmatic
12 purposes. The Commission serves local churches by preserving and safeguarding vital records which
13 define our past and guide our future.
14

15 OTHER BUDGET LINES UNDER FINANCE & ADMINISTRATION

16
17
18 *Congregational Loan Repayment: \$100,000* - The annual conference borrowed \$4 Million internally from
19 the Congregational Loan fund during the years of 2000-2011 to fund the operating deficit of programs.
20 The current balance of the Loan is \$2.6 Million. With the modification of the budget to include
21 designated fund spending to reduce the apportioned budget, the funds to repay the Congregational Loan
22 will come from an internal transfer of resources within the Fund's own spending plan, effectively paying
23 an obligation owed to the Conference itself.
24

25 *Allowance for Insurance Non-Payment: \$96,000* - The Annual Conference participates in a mandatory
26 group health insurance program to help local church pastors and their families receive the best health
27 care at cost effective rates. The Conference also purchases property and liability insurance on behalf of
28 the local church. Each month the Conference advances payment to the vendors and subsequently bills
29 the churches for the local pastor's health insurance (approximately \$3.6 million annually in aggregate)
30 and church property and liability insurance (\$7 million annually in aggregate). While most churches
31 send their payments to the Annual Conference in a timely manner, there are many who go delinquent.
32 Due to the lack of any other source of income, the Conference is forced to use apportionment funds to
33 pay for the delinquencies of the local churches. This line item will ease the stress of utilizing the
34 apportionment funds meant for programs.
35

36 *Allowance for the Gap on Apportionment Payments: \$1,245,507*- Historically, not all churches contribute
37 100% towards the apportionment budget. An allowance is budgeted which effectively reduces the
38 spending plan to align expenses with anticipated revenue. The larger the allowance, the greater the
39 reduction in spending that must occur to offset expected shortfalls in apportionment receipts. We
40 encourage all churches to meet their connectional commitments in full.
41

42 This line item has moved to the top of the budget presentation for better clarity by request of the CFA.

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BOARD OF PENSION AND HEALTH BENEFITS (“BOPHB”)/HR

1
2
3 *Human Resources Administration: \$50,000* - The office of Human Resources Administration is the office
4 that supports the staff of the Annual Conference, consisting of the Conference center, camps, and
5 district offices. Because the work of this office benefits all staff, clergy and lay participants, the BOPHB
6 chose to offset the total costs by \$123,043 from the administrative fees tied to the Pension and Health
7 Benefits billing in 2027.

8
9 *Retiree Health Reimbursement Account: \$0* - There is no longer an apportionment request for this expense
10 beginning with 2024 and beyond. The retiree health program is still in effect, however, and is discussed
11 below.

12
13 *Health Benefits-Clergy Medical Leave: \$25,000* - Conference Health Insurance Plan rules require that for
14 clergy appointed to Medical Leave, health insurance premiums for the clergy and any eligible dependents
15 must be covered entirely by the Conference. We are projecting a lower need in 2027 than in the past 3
16 years.

DISTRICT SUPERINTENDENTS AND DISTRICT OFFICE MINISTRIES

17
18
19
20
21 *District Offices: \$1,651,120* - There are currently five districts: East, Hawaii, North, South and West.
22 District Superintendents (“DS”) are elders in full connection appointed by the Resident Bishop to the
23 cabinet as an extension of the supervisory role of the Bishop within the Annual Conference through the
24 same disciplines and in accordance with their responsibilities designated in the *Book of Discipline*. Each
25 district is served by one DS. Combined they provide oversight to over 300 local churches and several
26 mission churches. The budget reflects expenses for the salary (Superintendent and Administrative
27 Assistant), benefits, travel and basic operational support for each office.

28
29 *DS Transition: \$500* – The funds are intended to honor and assist a DS during their DS transition.

30
31 *Cabinet Resources: \$20,000* - The Cabinet utilizes this fund to address financial concerns related to
32 suspensions, an exception to standing rules, or other nonbudgeted needs that arise during the year.
33 Disbursements from Cabinet Resources require a vote of the Cabinet and the minutes of decisions are
34 shared with the Conference Treasurer’s Office to verify approval and disbursement details.

35
36 *Sustentation: \$7,500* – This fund supports clergy in desperate situations when the local church or other
37 funds are not available to assist. These funds are managed by the Cabinet in communication with the
38 Board of Ordained Ministry.

39
40 *Pastoral Transition: \$10,000* – The Cabinet utilizes this fund to help pastors who would like to
41 transition to another vocation, or to address unforeseen circumstances in a pastoral appointment
42 transition not funded elsewhere.

43
44 *Moving Expenses: \$250,000* – The United Methodist Church follows an itinerant system where all
45 ordained elders, provisional elders and associate members are appointed by the Bishop. The Conference
46 Rules define the allowable expenses for clergy moves. Any exceptions to the Rules are voted on by the
47 Cabinet in advance of any funds being disbursed and communicated to CFA. For all California

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1 appointments, the Annual Conference and the local church share the expenses in the ratio of 70:30%,
2 respectively. For Hawaii appointments, the expenses are shared 80:20% respectively. The overall budget
3 is reduced by \$50,000 in non-apportioned designated fund spending.
4

5 6 CONNECTIONAL MINISTRIES (“CM”) 7

8 *Camping and Retreat Central Office: \$96,920* -This funds a part of our Director of Operation’s Salary
9 and other administrative costs.
10

11 *Connectional Ministries Operations: \$989,847* – This fund includes the salaries of most CM staff as well
12 as administrative funds like traveling across the Conference and providing modest support for
13 committees that have no budgets.
14

15 *Leadership: \$288,000*– Combined funds for Leadership Operations, Discipleship, Grant writer, Board of
16 Ordained Ministry, Orders, and the Laity Council. Included in this year’s budget is \$75,000 for a
17 discipleship program and program grant writer. We will be funding the work of the actual Leadership
18 and Discipleship Essential Ministry Team with investment and reserve funds.
19

20 *Justice and Compassion Ministries: \$130,000*– The budget supports the operations of and Discipline
21 mandated ministries like Church and Society and Global Ministries, offers grants to local churches, and
22 responds to community needs on the issues of immigration, disaster relief, homelessness, food insecurity,
23 creation care, women’s rights, LGBTQIA+ rights, mental health, the Holy Land, Christian Unity and
24 Interreligious concerns, disability awareness and support, and other needs as they arise. Included in this
25 year’s budget is a new Clergy wellness program. This will be funded through the administrative funds
26 collected through retirement and benefit billing.
27

28 *New Ministries: \$44,000* – Has continued working over the past year to discern our past and present, so
29 that we can break free from past patterns, cultivate transformative practices, curate space for innovation,
30 and offer support to faith communities at every stage of their life cycle. New to this year’s budget are
31 funds for New Ministry Operations and funds for Young Generations. We have increased
32 programmatic spending to \$489,000 but included non apportioned program fund offsets of \$445,000
33 making the apportioned budget just \$44,000, a reduction of \$285,500 in apportionments.
34

35 *Hispanic Ministries and Border Ministry: \$0* – We have added \$25,000 to this ministry and applied the
36 same amount in non apportioned funds so there is no effect on the apportioned budget.
37

38 Our main commitment in Connectional Ministries remains to help local congregations to flourish while
39 extending their reach to arenas that no one church can reach on their own. We are seriously looking at
40 ways to do this at a reduced expense to local congregations while also continuing to walk with small and
41 medium-sized churches who depend heavily on the support, training and extra capacity provided by the
42 Connectional Ministries Team.

2026 CAL-PAC PRELIMINARY REPORT

EQUITABLE COMPENSATION

1
2
3 *Equitable Compensation: \$213,750*

4 *Vital Presence: \$135,945*

5
6 The Equitable Compensation Fund is utilized to assist local churches with clergy salary expenses where
7 there is potential for church growth or some other transition is taking place that has resulted in
8 challenges for the church. Limits are applied for the amount of support given and the time that a
9 church/charge can receive support. Fund requests are initiated by the Cabinet, processed by the Human
10 Resources Office, approved by the Commission on Equitable Compensation, and prepared by the HR
11 Office for distribution by the Treasurer's Office to the local church or charge. Equitable Compensation
12 is mandated by The Book of Discipline ¶ 610 and ¶ 624.

13
14 The Rules of the California-Pacific Annual Conference (¶ 12. K. 18.) allow for certain churches
15 receiving Equitable Compensation to be designated as Vital Presence Churches if the District Planning
16 and Strategy Committee, in consultation with the District Superintendent, determines that they
17 "provide an essential ministry to a distinctive underserved constituency, or are located in a socially or
18 geographically isolated area." Vital Presence Churches are not limited in the time that they are permitted
19 to receive support.

20
21 The Cabinet continues to work faithfully with the EQ Committee in this work.

COMMUNICATIONS

22
23
24
25
26 *Communications: \$272,000* - This funding supports the staff as well as the contractors, software,
27 hardware and administrative expenses needed to do the work of communications for the conference.

28
29 *Communications Commission: \$1,000* - is allocated for the meeting expenses of the commission.

OTHER COMMITTEES AND COMMISSIONS

30
31
32
33
34 *Conference Secretary: \$2,000* - This request covers printing expenses of any preliminary reports and
35 handouts for Annual Conference Session. The printing cost of journal (per the book of discipline) is
36 included here.

37
38 *Sessions: \$113,000* – The unapportioned budget is higher by \$78,000 to better reflect the actual cost of
39 the expenses incurred at the Annual Conference, but will be offset primarily by a new effort to gain
40 sponsorships. For the 2026 Annual Conference we have secured \$80,000, however, we expect that a
41 more directed effort will generate more sponsorships for 2027. This reduces the expense of the Annual
42 Conference session funded by apportionment by \$47,000 from 2026. Smaller amounts are also utilized
43 from various departments, fees and grants. The Annual Conference session serves the local church by
44 providing a gathering place for every Charge to participate in the formation of the policies and practices
45 of the Annual Conference. Further, attendees are spiritually enriched with dynamic worship and
46 teaching. The free sharing of resources, ideas, and peer-to-peer conversations plant seeds of mission and
47 ministry, which are carried back to local churches to grow and bear fruit.

2026 CAL-PAC PRELIMINARY REPORT

1 *Commission & Committees: \$5,000* – is allocated for the meeting expenses for the Commission on the
2 Status and Role of Women (COSROW), Christian Unity and Inter Religious Commission (CUICC),
3 Inter-Ethnic Groups, Nominations, Religion and Race and Systems Assessment.

4
5 *General/Jurisdictional Conferences: \$20,000* – is allocated for the travel and meetings expenses for
6 conference clergy and lay leaders to attend General and Jurisdictional events and training.

7
8
9

<p style="text-align: center;"><i><u>TOTAL AMOUNT OF PROPOSED 2027 BUDGET WITH GAP = \$8,669,562</u></i></p>
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10

See pages PR-75 through PR-78 for budget spreadsheet

11 12 13 NON-APPORTIONED ITEMS

14
15 The apportionment budget represents a significant amount of funding related to the business of the
16 annual conference but there are several other ministries where non-apportioned funds are applied. There
17 are numerous ways our local churches contribute to and our annual conference uses designated reserves
18 to fund connectional ministries throughout the year.

19
20 A significant area of funding is administered by the Board of Pension and Health Benefits.

21
22 *Health Billing-Active Clergy and Churches: \$3,348,792* - Conference rules require that all clergy receive
23 health insurance at the cost of the church they serve. The Conference offers medical, vision and dental
24 plans to the churches for adoption for their clergy and/or eligible church lay staff. For the churches that
25 adopt the Conference health plan, the Conference pays the insurance bills to the carriers and then bills
26 the churches for the expense. For non-Medicare eligible retirees, the retiree is billed for a share of the
27 cost of their premium, which is also included in the active health billing revenue, since these retirees
28 and/or spouses are on the Conference active plan.

29
30 *Administrative Fees from Health Billing: \$100,463* - The billing to the churches for active health includes
31 a small administrative fee that is used to cover the expense of administering the various health plans
32 offered by the Conference, including primarily the staff salary and benefits and office administration of
33 the Health Benefits office under Human Resources.

34
35 *Pension Billing: \$4,845,436* - The United Methodist denomination, through Wespath Benefits &
36 Investments, offers pension, retirement and death and disability plans for clergy. These include the
37 Compass Retirement Plan and Clergy Protection Plan (CPP), providing death and disability protection.
38 This succeeds the Clergy Retirement Security Program (CRSP) DC and DB retirement plans.

39 Although some of these plans are not actual “pension” plans, we tend to refer to them under the
40 category of “pension billing.” The Conference bills the churches for these contributions and premiums.
41 The funds are collected from the churches and sent to the appropriate accounts at Wespath monthly.

42
43 *Administrative Fees from Pension Billing: \$527,153* - The billing to the churches for the items under
44 “pension billing” includes a small administrative fee that is used to cover the expense of administering
45 the Pensions office under Human Resources. These include the salary and benefits for the staff positions
46 in the office, office administration of the Pensions office, expenses for the annual preretirement
47 workshop, awards for retiring clergy, and other expenses.

2026 CAL-PAC PRELIMINARY REPORT

1 *Retiree Health Reimbursement Account: \$900,000* - About half of our retired clergy, spouses and surviving
 2 spouses obtain their health insurance through a private Medicare exchange called Via Benefits. Those
 3 who participate in this program receive reimbursement for all or part of their health insurance related
 4 expenses from a Health Reimbursement Account (HRA), the funds for which are provided by the
 5 Conference. For retirees under age 85, a target HRA is established, and each participant receives a
 6 portion of the targeted amount based on the pastor's years of service. The target HRA of \$2600 has
 7 remained at that level for 2023 - 2026. For retirees age 85 or over, the HRA is calculated according to
 8 conference health plan rules at an amount equal to 120% of the target HRA. Retired clergy who do not
 9 participate in the Conference plan receive their health insurance from other sources, such as a plan
 10 through their spouse, and are not eligible to the HRA. Until 2021, the Board had relied in large part on
 11 apportionments to fund the HRA for the retirees. In late 2019, the Board received word that the Cal-
 12 Pac's share of the corpus of the Lynch Fund would be sent to the Conference Endowment Fund, in
 13 keeping with the terms of the Lynch Fund Trust, as the last remaining Lynch relative in 2019 passed
 14 away in 2019. This fund is to be used exclusively for the benefit of retired clergy, spouses and surviving
 15 spouses, and has enabled the Board to completely eliminate its reliance on the apportionments for the
 16 funding of the retiree HRA. The funding for this program will come entirely from reserves, namely the
 17 Conference Endowment Fund. This fund is held in two locations: the United Methodist Foundation
 18 and Wespath Benefits and Investments. Funds to cover the monthly HRA reimbursement requests, as
 19 well as the expense of the non-Medicare eligible retiree healthcare subsidy and the annual cost of the
 20 post-retirement medical valuation, are deducted from the Conference Endowment Fund, divided
 21 between both locations.

22
 23 *Retiree Financial Aid, and Personify Health Well-Being Program: \$30,000* - Funds are available for
 24 financial assistance and are earmarked for retired clergy and spouses. Most of the funds are held at
 25 Wespath and are accessed and disbursed in the form of grants upon approval of an application. Separate
 26 from this, but also funded through reserves, is the Personify Health well-being program which provides
 27 Conference-funded incentives for active and retired clergy and spouses, as well as Conference lay staff.

REC 26-10 | EQUITABLE COMPENSATION MINIMUM SALARY SCHEDULES

2027 Minimum Salary Schedule FM
 (Full Members – Elders & Deacons)
 Using MCS rules from the 2015 Annual Conference

Year	Percent of MCS	Salary	Year	Percent of MCS	Salary	Year	Percent of MCS	Salary
1	76%	56,757	11	86%	64,225	21	96%	71,693
2	77%	57,504	12	87%	64,972	22	97%	72,440
3	78%	58,250	13	88%	65,718	23	98%	73,186
4	79%	58,997	14	89%	66,465	24	99%	73,933
5	80%	59,744	15	90%	67,212	25	100%	74,680
6	81%	60,491	16	91%	67,959	26	101%	75,427
7	82%	61,238	17	92%	68,706	27	102%	76,174
8	83%	61,984	18	93%	69,452	28	103%	76,920