



Board Briefs



The Ministry of Remembering

It wasn't a particularly happy story that Larry Lumpe, executive director of Concordia Historical Institute (CHI), had to tell the Board of Directors when he was invited to report to the board at the beginning of its May meeting.

To be sure, it was a story that included some good news and significant successes. The Institute recently completed construction of a truly world-class museum in the Synod's International Center, prompted by a critical need for more storage space at the Institute's main location on the campus of Concordia Seminary in St. Louis. Relocating major artifacts like C.F.W. Walther's carriage and piano, W.A. Maier's recording studio, and collections of Luther-era artifacts opened up space for state-of-the-art shelving to hold the priceless records of Lutheran history and LCMS congregations, leaders, and agencies that are stored and maintained by the Institute. This is good news for the "ministry of remembering" that the Institute is to carry out for the Synod—day in and day out.

A Ministry Long Recognized

The Synod has long recognized the importance of this "ministry of remembering" for the life of the church. The 1847 Constitution of the Synod included under "Business of Synod" the need "to gather church statistics within the Synod and also to order a church chronical [sic] of American Lutheranism" (Art. IV 13). The 1878 convention determined

that these archives were to be kept in the seminary library in the steel cabinet previously used for the deposit of money. By 1898, districts were placing their records in the possession of the Synod for safekeeping, the importance of this underscored in 1914 when many records of archival and historical value were destroyed by a Concordia—River Forest fire.

In 1929 the Synod gave formal recognition to Concordia Historical Institute (organized in 1927) and expressed encouragement and support. In 1935 the Institute was given permission to solicit funds from the members of the Synod for construction of a museum and was granted permission to build on the campus of Concordia Seminary. This led to the engagement of a full-time curator in 1943 and the dedication of the new CHI facilities in 1952. In 1959, special provisions for the Institute's work as the Synod's Department of Archives and History were added to the *Handbook* of the Synod. The Synod's 1960 Fiscal Conference allocated \$24,500 to the Institute in support of its work.

This close relationship between the Synod and Concordia Historical Institute exists to the present time. The 2007 *Handbook* refers to the Institute as "the official Department of Archives and History of the Synod" (Bylaw 3.6.2). Subsequent bylaws charge the institute with the responsibility "to promote interest in the history of Lutheranism in America, particularly The Lutheran Church—Missouri Synod." CHI is also to be the depository of the records of dis-

banding congregations and all records created by the officers and agencies of the Synod. And it is to stimulate historical research and assist other agencies of the Synod in establishing their own archive-historical units.

A Ministry that Has Struggled

This "ministry of remembering," maintaining the records, artifacts, and story of the Synod, is not one that attracts much attention. Concordia Historical Institute has quietly gone about its business since its earliest days, receiving and storing artifacts and documents, assisting with personal and scholarly research, and promoting interest in the history of Lutheranism, particularly that of The Lutheran Church—Missouri Synod. In the meanwhile, it has struggled to make ends meet, augmenting financial assistance from the Synod with meager results from its efforts to raise some of its own financial support. As CHI President Lumpe reminded the Board of Directors, "it isn't easy to raise funds for maintaining archives."

As a result, retaining sufficient staff to carry out bylaw responsibilities and maintain appropriate facilities has long been a challenge. In his report to the Board of Directors at its May meeting, Executive Director Lumpe spoke of the present as a particularly critical time.

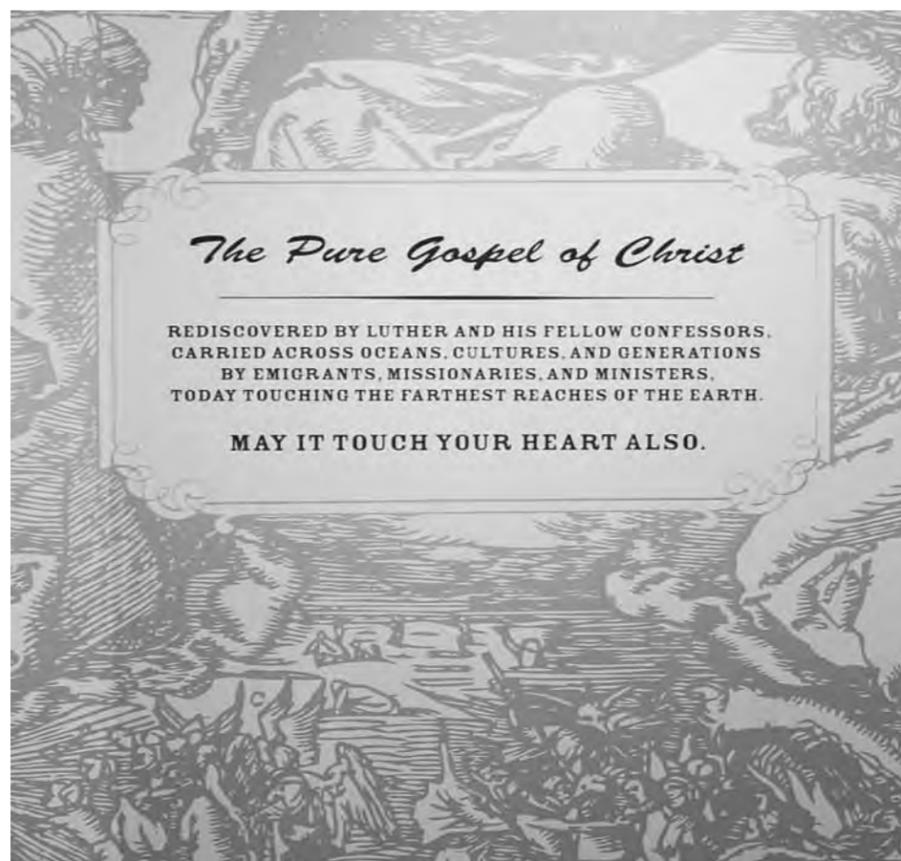
He stated that he accepted the position of executive director on a volunteer basis to provide opportunity for the Institute to recover from recent unanticipated expenses. While the funding goals for the

museum were reached, construction complications and delays added costs to the museum project and to regular operating expenses, resulting in necessary over-spending and the procurement of a Lutheran Church Extension Fund loan. In addition, a leaky roof and ailing air conditioning units beg attention, both repairs of high importance given the building's purpose and use. Further, unexpected legal fees from a lawsuit involving the designer of the new museum and his former employer have left the Institute with the need to defend itself, at considerable expense.

In fiscal year 2010/2011, the Institute will again receive \$400,000 from the budget of the Synod for its service to the Synod, an amount the Board of Directors was unable to increase due to budget constraints. With God's blessing, CHI will continue to use the opportunities God always provides to procure the additional funding that will be needed for its important "ministry of remembering."

Remembering is a Ministry

Sometimes that which speaks loudest and most effectively is an artifact, a sermon, a story from the past. Such is the ministry of Concordia Historical Institute. At the entrance to CHI's International Center museum, on the wall to the left just inside the door, is superimposed on a replication of a Durer print a statement that speaks not only for the museum but for the entire "ministry of remembering" of Concordia Historical Institute:



Board Adopts 'Tough Choices' Budget

"With prayerful deliberation and careful discernment to align our decisions with the Synod's vision and mission and the Lord's will" was Board of Directors Chairman Donald Muchow's description of how the board would need to approach its budget-setting responsibilities for the 2010/2011 fiscal year, the budget being "a commentary on how we deploy gifts, resources, and people in our corporate response to the grace of God."

He noted that the national economic downturn has impacted the Synod and its people negatively, causing widespread loss and reducing revenue. But he also noted that "the meltdown has caused congregations and districts to think and act creatively in the face of more stringent resources," advocating that the Board of Directors also faces its budget-setting task and the tough choices it would need to make "with similar creativity."

He concluded his remarks with words of encouragement: "We must act out of courage, not fear of feedback. We have been entrusted to act out of faithfulness, not emotion. My hope is that somehow we all may find discernment and strength from our living and ascended Lord, to whom we now dedicate our efforts. Let's begin."

Vice-President—Finance—Treasurer Tom Kuchta began the budget presentation, expressing appreciation for the cooperation his team received from all involved in the process. Early budget requests from the Synod's various entities were out of balance with income projections by more than \$5 million. As a result of cooperation received and other developments, that number was reduced by half as the matter came to the board.

Executive Director of Accounting Charles Rhodes provided a detailed slide presentation of the budget as it stood at the beginning of the board meeting. Projected undesignated revenue in the coming year is expected to be reduced by \$1.195 million (including a \$1.62 million anticipated decrease from districts). In addition, the action of the board in February that provided for a 2 percent increase in salaries will add \$438,000 to the budget, approximately one-half of which will necessarily come from unrestricted funding. The budget proposal also included \$664,000 in transition costs for officers and staff, given possible leadership changes made by the convention.

The board discussed a variety of combinations of possible line item reductions and changes to achieve a balanced budget, a discussion that carried over into the second day of the meeting. In the end, the board approved the following 2010/2011 Mission and Ministry Operating Budget:

Total Spending Plan	\$87,601,646
Total Revenue	
(Source of Funding)	<u>\$88,927,979</u>
Surplus (Deficit)	\$ 1,326,333

During the budget discussion, concern was expressed that the anticipated surplus be properly understood, i.e., that \$2.3 million of the revenue will be the result of the KFUE-FM sale, of which \$973,667 will be used for operations (some of which are repayment of costs associated with the sale), with the

balance to be placed in a board-designated account, its use to be determined later. This discussion led to the introduction and adoption of two additional resolves:

Resolved, That the surplus resulting from the KFUE-FM sale proceeds of \$2.3 million (proceeds plus interest) be allocated to board designated funds, the ultimate disposition of those funds to be determined at a later date; and be it further

Resolved, That revenue shown in the minutes and schedule be divided into two entries, non-KFUE revenue and KFUE sale revenue, as follows:

Other Revenue	\$86,627,979
KFUE Sale Revenue	<u>\$ 2,300,000</u>
Total Revenue	\$88,927,979

The spending plan adopted by the board (with comparisons to the 2009/2010 spending plan) follows:

The Lutheran Church—Missouri Synod Corporate Synod 2010/2011 Mission and Ministry Operating Budget

	Total Expense Budget		Undesignated Revenue	
	2010/2011	2009/2010	2010/2010	2009/2010
Program Boards:				
Missions	30,575,421	29,893,592	3,564,612	3,599,209
Fan into Flame	1,547,901	3,315,026	(1,650,000)	(1,170,000)
Pastoral Education	3,431,421	3,350,394	1,156,526	1,212,094
University Education	5,442,494	5,045,272	5,344,274	4,990,272
District & Cong. Services	3,050,041	3,161,506	820,067	997,285
Youth Gathering	6,880,190			
Communications	2,157,832	1,978,539	1,585,993	1,463,518
Human Care	8,218,215	10,658,861		
Nat'l Housing Program	1,586,072	1,046,888		
Black Ministry	689,650	663,608	533,675	544,608
Total Program Boards	63,579,237	59,113,686	11,355,147	11,636,986
KFUE	3,303,854	3,591,666	214,428	209,206
Suppl. Retirement Vets of the Cross	520,019	462,675	27,157	27,157
Eccl. Services and Commissions:				
CTCR	788,664	772,776	729,164	703,376
Comm. on Worship	498,345	448,526	332,730	316,526
Comm. Min. Growth and Support	625,914	603,013	382,602	384,783
Roster Maintenance	409,500	385,068	342,170	320,738
Recruitment Retention				
Conflict Resolution	50,400	18,400	50,400	18,400
Ch. Rel., COS, CCM, Concord	498,323	529,863	498,323	509,863
Total Eccl. Serv. and Comm.	2,871,146	2,757,646	2,335,389	2,253,686
Synod Officers and Administration:				
President/Vice-Presidents	1,612,354	1,384,022	1,320,354	1,078,022
Treasurer	450,627	329,336	450,627	329,336
Board of Directors	379,049	375,062	379,062	375,062
Secretary	332,100	315,054	332,100	315,054
Council of Presidents	153,750	153,500	153,750	153,500
Concordia Historical Institute	400,000	400,000	400,000	400,000
National Convention	2,512,368			
Circuit Counselors Conference	4,500		4,500	
Other	358,895		358,895	
Total Officers/Administration	5,844,748	3,315,869	3,040,380	3,009,869
General and Administrative				
Accounting	2,268,047	2,246,286	1,942,946	1,903,356
External Audit	87,000	57,000	87,000	57,000
Internal Audit	976,267	1,044,469	578,267	647,969
Legal	450,000	450,000	450,000	450,000
State/Federal Tax Reporting	142,161	137,534	124,561	119,934
Property and Insurance	4,916,397	4,933,275	673,438	647,197
Foreign Exchange	10,000	15,000	10,000	15,000
Human Resources	1,244,601	956,950	769,930	482,398
General Services	4,763,511	4,659,142	3,222,430	3,185,885
Concordia Technologies	3,290,577	3,849,364	2,639,077	2,079,352
Cross Connect Project	784,017	478,434	15,552	445,684
Total Gen. and Admin.	18,932,577	18,827,454	10,513,201	10,033,775
Interest	120,600	227,500	(816,500)	59,940
Contra-Expense Adjustment	(7,506,773)	(7,110,709)	(7,506,773)	(7,110,709)
Unallocated G & A Expense	(63,762)	91	(63,762)	91
Net Contra-Expense Adjustment	(7,570,535)	(7,110,618)	7,570,535	(7,110,618)
Total	<u>87,601,646</u>	<u>81,185,878</u>	<u>19,098,667</u>	<u>20,120,000</u>
		Projected Unrestricted Revenue	<u>20,425,000</u>	<u>20,120,000</u>
		Surplus/(Deficit)	<u>1,326,333</u>	

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Each year the board also adopts a capital budget according to board policy, requiring all departments of corporate Synod to submit requests for capital items as a separate annual budget for approval. The source of funding is general corporate cash or capital debt, as necessary. Departments and other corporate users are charged for capital acquisitions over the economic life of the asset via depreciation.

The capitalization level is \$5,000. All items with a purchase price above \$5,000 and a useful life of longer than one year or an aggregate amount above \$5,000 when purchased together are capitalized. The following capital budget requests were presented to the Board of Directors:

Department	Description	Amount
KFUO Radio	AXIA Studio Console Control Boards Upgrade to Digital	\$111,800
Concordia Technologies	Hosting Increase Network Storage (Hardware) Corporate Synod Only—Included in G & A PCs, Laptops, and Monitors (Hardware) Upgrade Network Printers Printer and Scanner Purchases	\$ 10,000 \$198,250
Missions	Hanoi School—Registered Capital	\$2,000,000
Cross Connect (2010/2011 Capital Expense Only)	Administration Constituency Relations Management Net Communications	\$702,000 \$371,000

In addition, the following identify potential capital projects for 2011. The cost identified for each project is typically shared among the corporate and trust entities of the LCMS International Center using various methods of allocation. As such, the cost to corporate Synod will be less than shown:

Roof Top A/C Unit	\$51,000
Printer Replacement	\$10,000
Folding Machine	\$8,000
Capital Projects Not Specifically Identified	\$150,000

The Facilities and Services Management Board (FSMB) has a standing approval for a \$150,000 annual capital budget for developing capital projects not specifically identified during the budget process. The executive director of the General Services Department may approval capital expenditures up to \$50,000. The FSMB must approve any capital expenditure greater than \$50,000.

Total 2010/2011 Capital Equipment Request Budget	\$3,612,156
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After discussion, the following resolution to approve the proposed budget was introduced and carried:

Resolved, That the proposed 2010/2011 capital budget requests totaling \$3,612,156 be approved as presented, with funding provided by general corporate cash, capital debt, or through allocations to other corporate users.

Continued Support for Seminaries and CUS Schools

Some confusion and misunderstanding exists in the Synod with regard to the support provided by the Synod to its schools, particularly its seminaries. In reality, substantial support continues to be provided through various efforts funded by the Board of Directors, this in addition to the budgeted amount directly allotted to the seminaries and Concordia University System (CUS) each year.

To help clarify the matter and lend its support to all efforts to support the Synod's seminaries and CUS schools, the board adopted the following late overture to be submitted to the 2010 convention.

To Encourage Continued Support for the Synod's Seminaries and CUS Schools

WHEREAS, The cost of higher education at our LCMS seminaries and Concordia University System (CUS) schools continues to increase to the extent that undesignated resources directed to the national Synod from congregations and districts have become insufficient to cover these costs and are providing an increasingly smaller portion of the total cost of higher education in our Synod; and

WHEREAS, The continuing trend of designated giving in our Synod

has enabled our institutions of higher education, even in difficult economic times, to continue to provide quality education in the process of preparation of professional church workers and lay leaders for our Synod; and

WHEREAS, Individuals, organizations, and congregations throughout the Synod have demonstrated commendable generosity in financial resources given directly to and designated for the benefit of our LCMS seminaries and CUS schools; and

WHEREAS, In addition to gifts given directly to our LCMS seminaries, during fiscal year 2009 these institutions received \$1,485,470 in direct cash gifts and matured managed/deferred gifts developed and gathered by The Lutheran Church—Missouri Synod Joint Seminary Fund, fundraising expenses for which were paid through the LCMS budget; and

WHEREAS, During fiscal year 2009, our LCMS seminaries also received \$4,264,831 in direct cash gifts and matured managed/deferred gifts that were designated for one or both of the seminaries but given through the Joint Seminary Fund, with fundraising expenses paid by the LCMS Foundation; and

WHEREAS, In that same fiscal

year, the LCMS Board of Directors designated subsidy of \$653,764 from the Synod's unrestricted budget to our two seminaries; and

WHEREAS, In fiscal year 2009, the LCMS Board of Directors designated \$3,756,888 from the Synod's unrestricted budget to the CUS schools in property debt support; and

WHEREAS, The *For the Sake of the Church* initiative received \$340,000 in support of endowments for CUS schools in fiscal year 2009, with fundraising expenses paid by CUS; therefore be it

Resolved, That thanks be given to the Lord of the Church for the gifts offered by individuals, groups, and congregations throughout the LCMS in support of the Synod's seminaries and Concordia University System schools; and be it further

Resolved, That individuals, groups, and congregations throughout the LCMS be encouraged to continue their support of the Synod's seminaries and Concordia University System schools through gifts offered directly to these institutions, gifts offered through the Joint Seminary Fund, response to the *For the Sake of the Church* initiative, and support of the Synod's unrestricted budget. ■

First Use for New 'Promise Statement'

LCMS Foundation President Tom Ries and Senior Vice President Terry Whittle provided the board an update on the success of the process to develop a "promise statement" for use in future unrestricted fundraising. A 25-member promise planning group, working with a consultant, developed the following statement over several months time:

Embracing all people with the love of Christ no matter what their need or season of life and compelled by Jesus' promise to bring us fullness of life, the LCMS helps people live confidently for Christ by providing:

- A churchwide vision
- Trustworthy resources faithful to the Word
- A ministry network accountable for equipping the local congregation, and
- A connection to global missions.

This promise statement will be used as a gauge against which strategic planning and communication will be measured. It was used extensively to position and prepare communications for the national offering associated with the 2010 national convention. Carefully prepared communications have been mailed to congregations and individual donors. Resources also appear on a special convention national offering website and will be included in LCMS publications.

The board was given sample materials and received an explanation of the intention of the specially designed logo. It was noted that many gifts have already come in, sufficient to clear all expenses. Donors will receive signed response letters from the President of the Synod as well as telephone calls from Synod officers and staff to thank them personally. It was noted that the unrestricted nature of the offering could provide a vehicle for developing an annual appeal, perhaps during the season of Pentecost. The activity also will be a means for cultivating additional significant donors.

Discussion followed regarding the need of the board to provide leadership in the area of macro financing, the needs to be met, other denominational models, root causes, the need to promote an atmosphere of trust, the importance of coordinating fundraising materials originating from the International Center, and the need to focus on three categories of particular interest to the membership of the Synod: human care, outreach, and education.

The Foundation representatives concluded their presentation by noting that the first of four key components for unrestricted gift-raising for the Synod has been addressed: development of a unique "promise" that supports the Synod's mission and vision. Still to come must be: board ownership and participation; strategy for a synodwide annual appeal; and the engagement of the President's Advisory Council. ■

PARTNER VISIT:

Board for District and Congregational Services

Board for District and Congregational Services Interim Director Bill Cochran reported on behalf of his board to the Board of Directors during its May meeting. He began his presentation with his board's "purpose statement":

District and Congregational Services serves with districts in helping congregations to develop and foster vibrant ministries to bring the saving, life-giving Gospel of Jesus Christ to the sinful, dying world.

and its "vision statement":

Districts, congregations, schools, and ministries constituting The Lutheran Church—Missouri Synod are interdependent, relevant, dynamic, mission-driven, living in and faithfully proclaiming the Gospel of Jesus Christ.

After providing a brief history of the Board for District and Congregational Services (DCS), he spoke of its outlook in his usual forthright manner.

Financially, with the current budget covering three directors, one full-time assistant, and three part-time assistants, he described its outlook as "bleak," given the Synod's declining budget. He added, however, that the financial outlook for its youth and school ministries remains good.

He spoke of the uncertainty that exists among the staff in his department, given decisions that may be made by the national convention. But again he added that relationships within the staff and with districts, congregations, schools, and education organizations remain positive. He also spoke positively of his board's relationship with the Board of Directors of the Synod.

He offered as recent successes of his department the National LCMS Youth Gathering, the Lutheran School Funding Academy, the National Children's Ministry Conference, and the Faith Aflame initiative. He then responded to specific questions submitted to him by members of the Board of Directors prior to the meeting:

- DCS determines service needs through constant input from surveys, personal contacts, contacts with district executives, contacts with congregations, and its endeavors to stay attuned to what is going on in the Synod.
- DCS has reacted immediately when needs are known, as with its youth Bible studies on 9/11 and The Passion of Christ (youth ministry), National Children's Ministry Conference (children's ministry), Family Ministry Task Force (family ministry), National Funding Academy and Lutheran Schools of Excellence material (schools), and Faith Aflame pilot program (stewardship).
- DCS coordinates its services with other agencies of the Synod through dialogue, with partnerships, by highlighting other agency events and resources, through its consultations with districts and congregations, and by staying informed regarding what resources are being provided by others.
- With possible restructuring this summer, districts do not believe they are equipped to manage the work that DCS now does. Feedback from various meetings of district executives indicates that they are not equipped to do or have the resources to do what DCS is currently doing. In particular, they would not be able to be a national voice or presence.
- Regarding implementation of the broad spectrum of work under the DCS umbrella, it isn't important in itself to have a board or department for district and congregational services, but there remains a need for a national voice and advocate for each of the current ministry areas, as well as a need for an advocate for congregational ministry in the International Center.

He concluded his presentation with the statement: "All of us in District and Congregational Services feel very passionate about our ministries and we thank God and the LCMS for allowing us the opportunity to serve together."

In discussion with the Board of Directors that followed, he provided information regarding the Lutheran School Portal, education executive staffing in the districts, and the financial health of Lutheran schools. Regarding the latter, he noted that 42 schools were lost during the past year, while eight were added. More schools are currently closing, with some high schools having significant issues. He also commented regarding online high school education opportunities provided by Lutheran schools, Synod stewardship concerns, and concerns regarding the loss of international and ethnic emphases at national youth gatherings. He emphasized that the focus of the school ministry department is not only education but also, and more importantly, the Lutheran Christian environment provided the Lutheran school. The primary focus of the department remains enabling and promoting the Synod's schools to be "schools of choice," especially for families outside the church. ■

Other Matters that Matter

During its May 20-21 meeting the Board of Directors received reports and made decisions of significance to the life and operations of the Synod, detailed in the board's minutes. In brief, the following are particularly noteworthy:

■ **Ecumenical Affairs:** President Gerald Kieschnick reported on increasing numbers of contacts from church bodies around the world expressing interest in deepening relationships and receiving help to remain strong. Among the latest: the Evangelical Lutheran Church of Tanzania and the Ethiopian Evangelical Church of Mekane Yesus—both church bodies larger than the LCMS.

■ **Lutheran Malaria Initiative:** The tri-partnership of the ELCA, LCMS, and LWR (Lutheran World Relief) in the Lutheran Malaria Initiative has been "unbundled," all three entities still intending to participate in the initiative but under a new approach. The LCMS and LWR will jointly work together in fundraising activities with a goal of raising \$45 million for the initiative. The LCMS also will offer its existing support and leadership functions in Africa to provide assistance to assure the success of the initiative where help is needed most.

■ **Minnesota South District Gift:** The board responded with a resolution of thanks and thanksgiving upon receipt of a \$250,000 gift from the board of directors of the Minnesota South District "to show its concern and support for the unrestricted work of our Synod." In its resolution, the board echoed the words of the district that encouraged other districts also to "consider a faith-filled gift for God's work, supporting the unrestricted work within the Synod."

■ **CUW Pharmacy School:** The board gave its approval to a financing plan for the construction of a facility for a new School of Pharmacy on the campus of Concordia University Wisconsin in Mequon. Anticipated to cost a total of \$13.5 million, the 57,000-square-foot three-level building will accommodate all the educational space needed for the 400 students who will eventually be enrolled in the program.

■ **Concordia—Selma News:** With its new president, Dr. Tilahun Menedo, in office, the college is off to a renewed start. A recent

accreditation visit went well and positive financial and enrollment numbers have been reported from the first half of the current school year. One of the school's challenges, the need to upgrade its facilities, could be answered by the availability of a neighboring property and its buildings belonging to the United Methodist Children's Home.

■ **CPS Board of Trustees Appointments:** The board filled four lay and one ordained minister positions on the Board of Trustees of Concordia Plan Services, taking care to satisfy the specific experience requirements of the bylaw governing membership on this board (Synod Bylaw 3.7.1.3). Elected to service on the board were Mr. James Jaacks of St. Louis, Mo.; Mr. George Nolde of Richmond, Va.; Dr. Carol Reineck of San Antonio, Texas; Mrs. Judy Strombeck of Minneapolis, Minn.; and Rev. Fred Schroeder of Lander, Wyo.

■ **KFUO-FM:** The board took action to "authorize and direct the cessation of the KFUE-FM radio operations pursuant to existing contract, applicable law, and Synod policy, at the time to be determined by the Synod and Gateway Creative Broadcasting."

■ **World Mission Update:** The board learned that Hong Kong International School is well under way to select a new head of school; the Hanoi International School opening is on schedule; the Synod is participating in a new transcultural approach to missionary training; the World Mission donor base includes 40,000 LCMS households who have contributed \$125 million since 2004; and the LCMS has 800 people out in the world somewhere right now doing mission work on behalf of the Synod, including career, long-term, and short-term missionaries as well as military chaplains, English teachers, and international educators.

■ **Special Recognition:** At the end of its May 20-21 meeting, the board adopted a final resolution to "express on behalf of a grateful Synod its deep appreciation and thanksgiving for the service of Betty Duda as a member of the Synod's Board of Directors over the past twelve years, 1998-2010."

Mrs. Duda is completing her second six-year term on the board. ■



Betty Duda