

Re: Iowa Conference

September 12, 2012

Background

The Council of Bishops commissioned the General Board of Pension and Health Benefits (GBPHB) and the General Council on Finance and Administration (GCFA) to partner in providing conferences with a Financial Advisory Consulting Team—known as FACT. With the presence of Bishop Don Ott, FACT worked with the Iowa Conference in July through September 2012, under the leadership of Bishop Julius Trimble, Reverend Bob Burkhart, Reverend Karen Dungan, Reverend Brian Milford, Reverend Chuck Smith (retired Treasurer) and Treasurer Todd Weber.

Before we get into the specific process that we follow on each engagement, we must say we were quite surprised when Bishop Trimble called to engage us. We were surprised because, if we had to rank the conferences that need assistance, particularly from a financial perspective, the Iowa Conference would not be anywhere near the top of that list. To the contrary, the Iowa Conference is currently in relatively good financial health. That said, the leaders of this conference are demonstrating true leadership as they proactively seek assistance before a situation develops, as their overall concern (and goal) is best described as “the long term relevance and viability of the Iowa Conference.”

From a list of 22 Iowa Conference members provided by Bishop Trimble and his leadership team, we were able to carry out 21 detailed interviews and an initial face-to-face meeting on July 26, 2012 at the Iowa Conference Center. During these discussions (which included a viewing of the General Board of Pension and Health Benefits and the General Council on Finance and Administration’s 2011 Financial Leadership Forum’s video “UMC Realities” to provide background and context, available at <http://www.gbophb.org/flf2011/UMCRealitiesVideo.asp>), Bishop Trimble and members of the Iowa Conference identified 14 critical “dilemmas.” For the purpose of this analysis, “dilemma” is defined as something that, if not addressed, would adversely impact the Church’s mission to make disciples of Jesus Christ for the transformation of the world. The plenary consolidated and prioritized them into their 8 **unedited** dilemmas below.

1. Defining in Iowa context what “making disciples of Jesus Christ for the transformation of the world” means. Lack of focus in the conference, including a clearly defined vision. Much of the focus is centered on maintaining the institutional church, not changing the world. Strategic focus in service to the mission of making disciples for transformation of the world. Every local church should be involved in defining this for their context. Look at Vital Congregations as a starting point.
2. Continue to instill a sense of Christian hope. We need to cultivate innovation in all sectors of the connection.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

3. Align mission and ministries with priorities—be proactive instead of reactive. Decision-making processes that allocate resources for mission and strategic foci. We need to focus conference resources on enhancing congregational vitality, and acknowledge that this will come at the expense of supporting some of our long-standing and beloved ministries. Follow through on decisions made, including evaluation of outcomes and redirection of resources when and where needed. Conference budget process is not always transparent or fair.
4. Need a culture change that values the shared mission more than personal preferences.
5. Recruit and engage more lay participation in ministry and governance within the conference.
6. Living up to stewardship kingdom potential by developing a culture of abundance (not scarcity) and addressing the sinfulness of greed that permeates our culture. Seeking alternative funding sources so apportionments can be reduced and support of mission retained.
7. Shifting mindset: Build churches, wait for people—to go out in community to make disciples and transform the world.
8. Stressed finances—paying for clergy/staff benefits and ministries.

FACT concurs that these dilemmas are critical to the future of the Iowa Conference and that the possible solutions presented deserve consideration. Our recommendations, in part, are significantly influenced by issues and potential solutions identified by Iowa Conference members. As mentioned throughout this engagement, FACT's job is to listen and, where appropriate, help move the closed backroom discussions to the open front of the room and give them the light of day. In this way, issues can be properly vetted by the Iowa Conference, so the conference can prayerfully discern them and make fact-based decisions that help achieve both the conference's strategy and the mission of The United Methodist Church—to make disciples of Jesus Christ for the transformation of the world.

Additionally, our recommendations are based on several factors internal and external to the Iowa Conference, including extensive research that involved analysis of Iowa Conference data and processes, many e-mails and phone calls, our regular contact with other UMC conferences (including consideration of their successes and failures), as well as our experienced and diverse professional judgment.

Throughout the course of our work we found the people of the Iowa Conference to be friendly, proud and strong in their faith! Also, and perhaps more than any other conference, we heard nearly all the answers to your dilemmas articulated pervasively throughout the conference. In fact, we often heard perhaps the best input and discussions we have yet heard on common conference issues, by proportionately more people than we have ever heard, on what needs to be done and how to do it.

That said, we have heard the talk, but not yet seen the commensurate walk. One of the breakout group participants identified it best, referencing the legendary college basketball coach John

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

Wooden: “Never mistake activity for achievement.” We believe there are some adjustments to be made, as articulated throughout our recommendations, including getting rid of some old baggage that will allow all of those good thoughts to be turned not only into activity, but achievement.

We received 42 pages of input from interviews, saw and heard a lot of good discussions; but, similar to other populations, witnessed decreasingly candid input as the number of people involved increased (from individual interviews, to small breakout groups, to the plenary sessions). While some lessening of openness is typical, what we witnessed with the Iowa Conference was significant enough that we proactively tried to mitigate it by identifying it at the start of the plenary on July 26. Attendees confirmed this phenomenon of decreasing candidness as the audiences grows, referring to it as “Iowa nice,” explaining members will often go to great lengths not to publicly offend one another.

While restricted candor is certainly not uncommon and is done with the best of intentions, it was uncommon to the extent that it occurred within the Iowa Conference and, more importantly, to the degree it acts as a significant roadblock to fully discussing issues. Reluctance to offend one another hinders the conference’s ability to constructively address and ultimately resolve critical issues (“dilemmas”) within the conference. Harriet Beecher Stowe said this best: “The bitterest tears shed over graves are for the words left unsaid and deeds undone.”

These omissions due to a hesitancy to offend, can allow issues to fester and worsen, such as the precipitous declines of the conference’s membership and particularly attendance. We think this is not due to a lack of leadership, but more a cultural issue (more on that later). This is not a new phenomenon, nor exclusive to the Iowa Conference; however, it appears to be pervasive throughout the Iowa Conference and arguably a “dilemma” itself that casts a pall over all the other dilemmas.

Thus, when the Iowa Conference does not candidly confront matters in a timely or complete manner, it minimizes its own progress. Even worse, in today’s world of declining membership and resources the negative impacts of not being transparent become exacerbated. That said; FACT believes the Iowa Conference is at a critical junction and the timing is right for laity and clergy to step up and make the tough decisions that will ultimately enable the conference not just to survive, but thrive. FACT’s purpose is not to close churches or merge conferences; our focus is on assisting both key bodies of the Church to regain their vitality and be self-sustaining.

In our previous experience with other conferences, members involved in FACT engagements or members reading the results of the engagements are stunned at some of the findings and recommendations. Some react with a sense of urgency, others defensively, and to some extent many feel overwhelmed. To the latter, rest assured: throughout our extensive work with the good people of the Iowa Conference and throughout the Connection, given the will, we have not encountered any hurdle that cannot be cleared. All these matters can and have been addressed successfully before. Often what is needed most is leadership (at all levels) and courage to make the tough decisions, lest we continue to do the same ineffective things over and over again, foolishly expecting different outcomes.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

Please know we are not asking you to abandon your own recommendations and good works in progress (e.g., Imagine No Malaria, New Places for New People, etc.) to solely run with our recommendations. Rather, we are challenging you to rethink some of your efforts in light of our current recommendations and your ultimate strategy. That is, assess if your current plethora of ministries and efforts are in alignment with the best manner in which to get to where you want and need to be and, if so, dovetail and prioritize them with our recommendations for optimal effectiveness. Also, based on human nature and experience with other conferences, we intentionally suggest tight time frames. In addition to the demonstrated need for urgency, it has proven to be one of the most effective tools to maintain and build off the positive momentum that these FACT meetings and report generate.

FACT's detailed recommendations for the Iowa Conference are summarized on the following pages. Our recommendations are formulated keeping in mind that many of the identified dilemmas are also "adaptive challenges" (i.e., "the type of work in which the conference as a whole needs to learn new skills, attitudes and behavior in order to make progress on the work at hand") facing the conference, and in each identified recommendation, offering some tried solutions and action plans to address them on a holistic basis (and thereby assisting lasting change), beyond just the simple financial or technological fixes.

Iowa Conference leadership has agreed to embrace and continue to address the following recommendations in order to optimize the Iowa Conference's investment of prayers, presence, gifts, service and witness in its own conference and the Connection.

FACT's primary recommendations focus on the following areas:

1. Conference Leadership
2. Strategic Planning
3. Culture
4. Clergy Revitalization
5. Ineffective/Entitled Clergy
6. Laity Empowerment
7. Congregational Sustainability/Appportionments
8. Conference Benefits
9. General Financial Sustainability
10. Communications

Conference Leadership

Some of the most pervasive feedback and comments from interviews and in the small and large group sessions during the July 26 meeting were about the need for the Iowa Conference to identify priorities, or key objectives and to align funds, staffing, and other resources to support those priorities. Other prominent responses dealt with the need to define and focus on a clear

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

vision and concerns about the processes for conference budget development and adoption. Accordingly, we recommend the following:

1. The leadership team of the conference should work together to define—or review and refine as needed—the vision for the conference and its congregations. It is important that this vision be embraced or affirmed/reaffirmed by the Annual Conference session and be a vision congregations can understand and accept.
2. Articulating the conference’s vision is important, because it informs the setting of priorities and objectives, and guides the development of a strategic plan (see separate recommendation area). The leadership of the conference should work collaboratively to identify the conference’s highest priorities, or most important objectives, in pursuit of the vision. We recommend no more than three priorities, perhaps even fewer. If there are too many priorities, then in effect nothing is a priority; they all just become interests competing with one another for dollars and energy. One approach to avoid setting potentially competing priorities or key objectives is to define the “primary task” of the annual conference—the one most important thing the conference must do to move toward its vision.

As with the vision, it is important the priority or priorities be embraced by the annual conference and that congregations can understand and accept them. (Notice the use of “can” rather than “will” in both places; regrettably, it is likely if not inevitable that some congregations may not readily get on board with the vision and priorities.) Not all local churches are likely to catch the vision statement and subscribe to the related priorities initially; but a timeline of having it well-articulated and communicated to them by next Annual Conference is both best and achievable for optimizing acceptance and support.

3. With an agreed-on priority or priorities, or a primary task, the key leaders of the conference need to take the lead in developing proposals to align conference funds, staffing and other resources to achieve the priorities or the primary task. As identified during the interviews and the July 26 meeting, such alignment will almost surely mean de-prioritizing conference support for some long-standing conference programs or ministries that are treasured and held dearly by some persons in the conference. Realignment of resources and efforts will mean difficult and perhaps painful decisions, which makes understanding and buying into the mission and priorities described above essential. Without that, we tend to be like Martha when Jesus visited: we remain invested in the efforts we know, that are familiar to us and comfortable to us, rather than pursuing as Mary did, the “one thing” that is truly necessary (John 10:41).
4. In pursuing the alignment just noted, conference leadership may also need to change or propose changes to processes and even policies. If there are existing processes that do not help the conference pursue its key objectives or an identified primary task or even become obstacles to that pursuit, conference leaders need to upgrade, replace or eliminate those processes. One concern that surfaced several times in the interviews and dilemmas identified in the initial meeting was the conference budget process. Leaders of the conference—especially those who

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

have responsibility for the budget and any leaders who feel disenfranchised from or disillusioned with the budgeting process—should come together to seek greater transparency and openness in the budgeting process, a greater sense of ownership by congregations and church members in the conference budget, and of course, alignment with the vision and priorities. A “zero-based” budgeting approach is recommended. Sometimes the tendency is to start with last year’s budget and adjust various numbers up or down to fit perceived needs and available funds. A more effective approach may be starting with a blank slate and building the budget based on what is critical in achieving the vision and priorities of the conference. Admittedly, it may be necessary to make some compromises with this approach, such as phasing in a change rather than making it abruptly without warning. Budgeted programs, especially new ones, must have a realistic funding source in order to be sustainable. A good long term budget will provide for the buildup of reserves that may be needed if plans do not work out for unforeseen circumstances. The budget also needs to be designed in a way that it can be clearly and easily understood by all stakeholders, not all of which will be accountants. If, for example, a particular area or ministry has long received significant conference funding but the conference vision and priorities do not justify continuing that level of financial support, a sudden reduction to zero may be unrealistic and unfair to that ministry; it may be more appropriate to announce the intention and begin making a change that will be fully realized over two or three years.

5. Going forward, it will be important for conference leaders to be persons who can work together collaboratively toward the conference’s vision and priorities, even if their own passions or expertise are not directly connected to conference priorities. Accordingly, conference leadership may need to assess and possibly modify the nominations process for leaders of conference boards, agencies and other entities. While the leadership team is strengthened by members having diverse and differing perspectives, experiences and skills, the leadership must also be able to coalesce around the vision and priorities of the conference—to make or keep the “main thing” as the main thing.

We purposely placed our recommendation for a conference vision first, which drives the priorities or processes the conference wants to do or emphasize; then a strategic plan (our next recommendation) gives the roadmap for how to do and achieve those priorities within the Conference’s vision.

Strategic Planning

During some of our initial interview calls and at the first plenary session, FACT asked the attendees: “What is the conference’s strategy?” The response was a deafening silence. The aforementioned vision and corresponding strategic plan are perhaps the critical success factors of any successful organization, including conferences.

In order for a strategy to be effective, it should be pithy (short and sweet—so it can easily be understood and remembered by all), well-known at all levels throughout the entire conference

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

(so all can be working to achieve the strategy—otherwise, their well-intentioned decisions may work against achieving it), and concrete (i.e., definitive, not directional, and also measurable to help ensure accountability and to evaluate progress toward achieving it). Measurability was identified by the attendees as a dilemma, and many interviewees alluded to it. FACT has found measurability to be so essential to a vital and self-sustainable conference that we are making it one of our key recommendations with some critical qualifiers:

1. The strategy must be *long term*;
2. The strategy must not only be developed, but *effectively implemented*;
3. There must be a *rolling five-year financial (operational) plan in alignment with the strategy*, and
4. Because clergy benefits are a significant part of a conference's financial picture, the strategy and plan must *be supported by a comprehensive funding plan for benefits*—as approved at General Conference 2012—and further described in the Benefits recommendation below.

What is a strategy? Simply put, it's the most efficient and effective way to get from where we are to where we want and need to be. Furthermore, the sooner we work on it, the easier it is to achieve!

Currently the conference appears to be largely “just operating,” that is, barely addressing present circumstances without the robust guidance offered by a definitive long-term strategy and supporting five-year plan. Some operational progress appears to have begun to bear fruit on program and ministry (Imagine No Malaria, New Places for New People, etc.). Now, further tactical progress needs to be made on the proper number, type and effectiveness of ministers, as well as the self-sustainability of local churches. The conference needs to focus its operations in alignment with a long-term strategy that supports and achieves its stated vision. A long-term strategy is essential to helping get everyone working together toward the same end. Furthermore, it will help drive the conference to address its “Iowa nice” syndrome, as the unity around a shared strategy can compel change and trump the culture of not wanting to offend anyone. It will not cause members to offend one another, but it will drive open, urgent and productive discussions to address dilemmas in alignment with the strategy to help ensure goals are achieved. Furthermore, a strategy with identified priorities and tactics, along with a supporting long-term financial plan, helps address this dilemma. A well-defined strategy eliminates the aforementioned paralysis by helping drive to successful resolution the tough decisions that some would otherwise rather avoid.

Whatever the issue—from people to programs to budgets and everything related to them—the decisions practically answer themselves when put in context of the strategy. Does this or that decision support the strategy—that is, does it facilitate achievement? If not, the person isn't hired or the ministry isn't performed. At the least, these misaligned resources are being used to delay the Iowa Conference from achieving its strategy; at worst, indecisiveness could be keeping it from ever achieving it.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

If the result of the decision supports the Iowa Conference in achieving its long-term strategy, then the question is asked if the conference can afford (aka “living within its means”) the person, ministry, etc. on a long-term, total-cost basis. If so, the decision is made and effectively implemented, measured and reassessed.

If this process says “no” to a person or ministry, etc., it doesn’t mean that the person or ministry lack worth, it just means their worth is not in alignment with the Iowa Conference’s strategy, means or vision. The person or ministry may be better suited elsewhere, and it is in the best interest of all parties that all resources—be they human or capital—work where they are most effective. Setting a strategy is not rocket science, nor does it need to take several months to develop. Much of the necessary knowledge and work already exist within the conference, its people and its various task forces over the years. The key is to draw this information out, formalize it, and effectively communicate throughout the entire conference and related communities.

In addition to alignment, as is true throughout all of this report, measurement is shown to be a critical success factor. More specifically, measurement of all that goes into a long-term strategic plan and budget is essential, with particular attention to which ministries are utilized, how impactful they are, their outcomes, how cost effective they are, etc. Once measured, they can be properly evaluated, and then fact-based decisions are to be made.

Along these lines, when asked about any changes that might be difficult to make within the conference, several people individually and in breakout groups mentioned grants to schools, etc. In fact, some said these ministries had the “best lobby in Iowa.” We do not know enough of these details to make a specific recommendation in this area, although *we are quite confident to recommend that no cost, program, etc. should be off limits to review!*

Specific to making grants to schools, we have two recent telltale stories, one with a good ending, one with a sad ending—both very instructional. First the sad ending: as a conference’s call for accountability from a university receiving a grant was not heeded (e.g., request for financial statements), conference leadership purposely took their routine \$25,000 donation out of next year’s budget. However, some for emotional reasons—ties to their own, their parents’ or children’s alma mater—many from the Annual Conference floor insisted the routine donation be reinstated. Sadly, in less than a year, the university closed its doors due to poor financial condition (that likely could have been ascertained if their financial statements were provided and reviewed). Here, clearly no ministry should rest on its laurels; all costs should be reviewed for cost effectiveness and alignment with the conference’s vision and long term strategic plan.

Now the good ending: another conference knew it would struggle if it automatically gave the same \$300,000 donation to the university; besides it was unsure of the donation’s effectiveness and measurable outcomes. Therefore, it evaluated the situation and came up with a Solomonic decision; it would cut the grant by \$200,000, and tie the remaining \$100,000 grant to a new position at the school to promote it and its classes and seminars throughout the conference and state. This creative solution not only saved the conference money, but provided measurable and

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

desired outcomes of nearly \$1,000,000 in additional revenue each year for the school through increased enrollment in its classes and seminars, tied to the new employee's efforts that were funded by the conference. Here, clearly outcomes, not inputs (e.g., size of grants) should and can be measured for effectiveness; if the outcomes are in alignment with the conference's vision and long-term strategic plan, and can be afforded, they should be retained.

Thus, we strongly recommend that before the end of *this* month, Bishop Trimble assign a task force to develop a controlling long-term strategy and supporting financial plan (*based on efficacy of outcomes*) for the Iowa Conference—with target implementation by next Annual Conference—although strongly utilizing a working strategy until then to optimize the resource allocation and decision-making up to that point. It should consist of decisive, action-oriented individuals who are helpful to setting and achieving the strategy. If desired, the FACT team is prepared to go into depth with conference leaders on how to efficiently establish a long-term effective strategy as well as a supporting five-year plan and comprehensive funding plan. This effort should integrate with the CF&A's budget preparation, so that the financial plan is reflected in the proposed 2013 budget.

Culture

For purposes of these recommendations "culture" is understood as the prevalent values, beliefs, customs, practices and social behaviors of Iowa Conference United Methodists. In the preliminary interviews and as well as in the small and large group discussions of the July 26 meeting, several comments and concepts relating to culture emerged. A tendency toward "Iowa nice," explained as not wanting to offend, disagree openly, or be confrontational, was mentioned more than once. Other comments focused on a less specifically defined need to "change the culture" or to replace "scarcity" thinking regarding church/conference finances with ideas of abundance or sufficiency. Recommendations are as follows:

1. From what we can tell, a primary need and challenge for many UMC congregations throughout the country, including many in Iowa, is for members to evolve in their understanding of "church" from styles, formats, methods and practices that are comfortable and familiar for them familiar to styles and methods that would have more meaning and relevance for the unchurched persons around them. This involves a shift in thinking, from assuming—perhaps automatically rather than intentionally—that the church is to meet my needs and honor my preferences, as a long-time member, to a conviction that the church is for those on the outside of it, persons who do not yet know God's grace and the peace and presence of Jesus Christ. One bishop referred to this kind of thinking as a "culture of growth." Others have called it a "culture of congregational vitality." Whatever the description, the idea is that an external rather than internal focus, effective outreach to new persons, and ministry beyond the church walls become the expected and assumed model for local congregations; that growth and mission are understood as mandatory for Christians collectively and individually. Such a cultural shift is not easy, but is also not impossible.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

2. Truth-telling and candor among leaders and followers, tempered with a high level of respect and appreciation for others, are important in achieving the unity needed for and organization to move forward in making deep change. To that end, and to the extent that the “Iowa nice” phenomenon is prevalent, it will be important for leaders of the conference to model being respectful and affirming of other perspectives, beliefs and values while at the same time being candid and open when expressing and working through disagreements or differences.

Clergy Revitalization

Clergy are the key day-to-day leaders in The United Methodist Church. They are the “members” of the Annual Conference they “join.” The Annual Conference is their Congregation. More and more clergy throughout the connection appear to act as if their membership is with their local church and not their conference.

The vitality of the clergy is directly related to the vitality of the Annual Conference, its congregations and ministries of every kind. From time to time the “covenant” bonds of clergy with each other and with their Annual Conference “Church/congregation” become frayed. All suffer and ministry suffers. Clergy are to uphold their own conference membership responsibilities as they lead faith communities in their ministry settings.

FACT, in interviews and in face-to-face individual and group meetings with Iowa leaders, found evidence of the need for attention to the vitality of clergy. This need was reflected in five of the eight key items identified in the first meeting of Iowa leaders with FACT in July 2012. Those five statements contained the following phrases pointing to clergy vitalization issues: “making disciples,” the call to “cultivate innovation,” the urging that the Conference “focus...resources on enhancing congregational vitality,” having a “culture change that values the shared mission more than personal preferences,” and a call to all Iowa United Methodists to “go out in community to make disciples and transform the world.”

American societal movement toward individualism and making it on one’s own tends to support pastors who embrace congregational-focused thinking rather than the connectional thinking of United Methodism. To make possible all that the Iowa Annual Conference desires to be and do in strategic planning and the recommendations of FACT, attention needs to be given to clergy vitalization.

FACT recommends:

1. That the Conference leadership, lay and clergy, with the Bishop as teacher-guide, use frequent and varied opportunities to convey the importance of the Wesleyan spiritual, covenantal and organizational “ties that bind” in Conference life together. These include, but are not limited to, the sense that clergy are related first in covenant with the other clergy of the Conference and, then, the people of the congregation or ministry to which

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

- they are Episcopal-appointed; and, focusing at least as much on finding new persons as disciples of Jesus Christ as they focus on caring for those within the fellowship of faith.
2. That the appointed clergy be called upon to personally identify and report to their Bishop what they understand, in specific actionable ways, “making disciples for Jesus Christ for the transformation of the world” means in their life and ministry setting.
 3. That the Cabinet determine how it will receive the clergy responses to #2 and how it can resource clergy in the intentions they articulate—toward the goal of vital support of the Annual Conference, i.e., “the congregation of the clergy” and hence the strategic mission of the Annual Conference.
 4. That in light of *Discipline* ¶ 340, the Board of Ordained Ministry emphasizes and raises the expectations most critical to the conference’s vitality, for all Iowa Conference clergy members to carry out faithfully. This shall include the responsibilities of full members of the Iowa Conference to each other, and provide leadership for every congregation to be a mission station.

Ineffective/Entitled Clergy

In the interviews—as is common throughout our denomination—there were references to ineffective clergy. These references are not unique to Iowa; they are all too common throughout our denomination. These clergy have developed track records of ineffectiveness that plays out in declining attendance, offerings and participation in the churches they serve, increased conflict in the church and requests by the Staff-Parish Relations Committees for these clergy to leave the church.

Therefore, it is recommended that the bishop and chair of the Board of Ordained Ministry appoint a strategic personnel planning group whose sole purpose is to address expectations of clergy leadership in Iowa. This group must be comprised of lay persons who have experienced the best of clergy leadership. (There are many laity who are lifelong United Methodists who have developed an understanding of clergy effectiveness. Many of these persons have served on district committees and for the past 25 years on conference boards of ordained ministry.) Additionally, we recommend this planning group include clergy who have excelled in pastoral leadership, particularly in making disciples of Jesus Christ for the transformation of the world.

It is recommended that this group be no larger than nine persons who will meet at least twice a month and make their recommendations (on the definition of effectiveness, measures of effectiveness, structure for supporting enhanced effectiveness, etc.) to a joint meeting of the cabinet and Board of Ordained Ministry no later than one month prior to the 2013 session of the Iowa Annual Conference.

It is recommended that the Cabinet and Board of Ordained Ministry report to the Executive Session of the 2013 Annual Conference concerning the work of this committee if the recommendations are endorsed by the Cabinet and Board.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

Furthermore, it is recommended that these expectations are monitored and measured, remedial or training efforts are prescribed and administered for clergy who don't meet the expectations, and then the process is maintained until the clergyperson meets expectations or is exited.

Additionally, FACT recommends a method for dealing with this issue that is being used successfully in the Indiana Annual Conference, which they named "Called Anew With Love." This program is designed to help faltering clergy discern that their original calling to parish ministry may no longer be appropriate, and then gives them financial assistance necessary to transition out of ministry. The Called Anew program asks: what does this clergyperson need to transition into a secular job given that he or she is somewhat dependent on the church for a parsonage and pension and health benefits, and what can the conference do to make transition out of ministry as easy as possible for the pastor and family?

A typical financial package for an exiting pastor includes three months' salary, six months' health care, a move to a new residence, and assistance in any type of training or licensing that might be needed. For example, one person in the program had been a realtor in his former career, and the conference paid for his realtor review class and relicensing. Each financial package is customized to the particular needs of the clergy and his/her family.

In Indiana, a fairly detailed process is in place to identify clergy for this program, up to and including their actual departure from the ministry. Documentation is an important component that must be maintained by all district superintendents. However, the conversation begins with the clergy and his/her spouse and the bishop (along with a district superintendent) in a very pastoral way. If the bishop and Cabinet cannot find an appropriate appointment for an otherwise ineffective clergy, then the Called Anew With Love process is explained. As needed, the conference representative explains that if the person does not accept the offer, he or she will be referred to the Board of Ordained Ministry to begin the exiting process.

Additionally, the conference leadership may consider implementing the Voluntary Transition Program, one of the recommendations of the Church Systems Task Force (CSTF), and approved at the 2012 General Conference. This limited-time program will begin January 1, 2013.

The program will be a shared responsibility between the annual conference and the General Board of Pension and Health Benefits (GBPHB), with the annual conference paying the health continuation coverage and the final move expenses. Through the Comprehensive Protection Plan (CPP), GBPHB will pay for the salary agreed upon for this voluntary transition. Clergy accepting the Voluntary Transition Program must be in full connection and in good standing; have served five or more years, but not within two years of eligibility for retirement benefits (under ¶1358.2(b) or (c)); have agreement from conference leadership (i.e., DS, BOM, bishop) following a consultation and leadership review; surrender credentials (thereby severing the relationship with associated annual conference); and sign the Voluntary Transition Program agreement.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

Laity Empowerment

Laity are key assets of the conference and essential in carrying out the work of the Church in the world. As such, they should be more effectively called and deployed as ministers of Jesus Christ in the world. In congregations, a pastor/staff-centric model of congregational ministry in which the laity hire others to carry out their call is neither financially sustainable nor faithful to the teaching of the Gospel. At the conference level, we have heard a desire to more intentionally recruit and deploy a broader group of lay leaders to serve in the governance of conference boards and agencies.

Conference leadership—both lay and clergy (to be identified at the meeting on September 12)—must work clearly to establish, communicate and support an understanding of the roles and expectations of the laity, and must be willing to support and hold congregations accountable for achieving those expectations. FACT recommends four steps for beginning this process:

1. Establish a specific, challenging, conference-wide statement on the roles and responsibilities of laity that calls for a transition to high-commitment discipleship. We recommend that this statement or call reflect a well-rounded understanding of discipleship that includes the ministries of mercy, justice/witness, worship, prayer, devotion and learning; as well as specific expectations on offering their prayers, presence, gifts, service and witness. We recommend the statement to be considered and approved by the annual conference at its 2013 session.
2. We recommend that the Iowa Conference work through existing true centers of strong lay leadership (perhaps lay speakers, United Methodist Women, United Methodist Men, young people's ministry, etc.)—where appropriate—to objectively assess which existing lay groups are most likely to buy into an understanding of discipleship that is perhaps different than their present ideas and practice.
These identified persons, or other dynamic leaders (Field Outreach Ministers, et al), would then establish a network of lay advocates who can work with churches, districts, and at the conference level, on increasing the level of commitment and quality of personal discipleship among the laity.
3. As part of a larger conference-wide effort to establish goals and strategies for each congregation, we recommend that every church develop a plan for enhancing the ministry of laity, including specific expectations on offering their prayers, presence, gifts, service and witness.
4. As the conference works to implement its vision and strategy for the future, conference ministries should, when at all possible, include ways for interested laity to connect through action or financial support. Successful conference ministry should seek to find ways to connect with the laity of the Church by offering a means of living out their faith through acts of devotion, worship, study, compassion and justice. Lay involvement should be a key factor in evaluating the effectiveness of conference ministries.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

Congregational Sustainability/Apportionments

The long-term sustainability of the conference and its churches requires a clear-eyed, fact-based analysis of each congregation's potential for enhanced vitality and ministry in its community. Data indicates that some churches in the conference are burdened by buildings they struggle to maintain.

We recommend any successful strategy for the Iowa Conference at its foundation provide a means for cultivating enhanced vitality among its congregations. FACT recommends the following steps to develop and implement that strategy:

1. Establish before year-end 2012 a team of conference leaders to develop ways to measure each congregation's current vitality and potential for enhanced vitality in the future, based on quantitative and qualitative data. At a minimum, growth over a five-year period, the amount of engagement by disciples in worship, making new disciples, small groups and ministry, and the generosity of a congregation for mission should be measured. We also believe that growth should be reviewed in light of changes of appointments. We recommend this process be clear, straightforward and transparent for all United Methodists in the Iowa Conference.
2. We've found two excellent videos which can provide understanding and direction to increasing ones external focus. The first is from UM Communications—<http://www.youtube.com/watch?v=I90eiNB7nMw>— as part of the “Rethink Church” campaign, and the second is called “Making Disciples”—http://www.youtube.com/watch?v=oJWkQ9UP_m8. They are two of the most effective ways we have seen to communicate the importance of doing what God calls us to do ... though it requires an external focus which has slipped from too many of our churches and members. These suggested approaches are both more effective and more cost efficient than much of what many of us are currently practicing. With these measures and processes in place, we recommend an analysis and determination on present and future vitality for congregations be established to:
 - a. Support the bishop and the cabinet in their work to identify congregations where new ways of providing pastoral leadership are necessary.
 - b. Identify congregations where vital ministry is no longer possible, and establish a grace-filled process to redeploy those assets elsewhere where they will have more potential.
 - c. Identify congregations with the potential and desire to be more vital, and strategically deploy assets (loans, training, coaching, etc.) that invest in their future sustainability.
 - d. Identify congregations where high vitality is clearly present, and work to celebrate and learn from their successes, particularly those “turn-around stories” that can give encouragement to congregations that are aspiring to vitality.
3. A process for enhancing the vitality of congregations requires time and patience. As the conference works to implement ways to enhance vitality in those congregations described

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

in 2.c. above, we recommend it be mindful to work with a few key churches (no more than 3 to 5 per district at a time) to ensure there is adequate support and supervision of the process.

Ultimately, congregational sustainability is defined by whether the local church can stand on its own. The days of subsidizing churches, with the exception of unique short-term situations, are long gone, as our declining demographics (aka Lovett Weems' "death tsunami") clearly show. Again, FACT is not about closing churches. FACT is about promoting accountability, with churches living within their means. Thus, if a "family chapel" or small church wants to remain, we encourage them to go for it—provided they can fully support the church and pastor, including cost for maintenance, repairs, insurance, a fair salary, benefits, etc. If the church cannot cover these expenses and can't become self-sustainable in two years, then it has demonstrated it is not sustainable. Therefore, the property should be sold, reallocating proceeds to a more fruitful garden.

This aforementioned pruning (as described in Bishop Thomas Coke's biography: "The loss of the superfluous and unfruitful branches did not, however, hinder the growth of the spiritual tree. The wounds which were made soon healed, and it became more vigorous and fruitful than it had been before. Every skillful gardener knows that the pruning knife, when applied to the branches, is not less necessary to the perfection of his vine than the rich manure which supports its roots") is needed and will ultimately make the conference stronger overall, both locally and throughout the Connection. These decisions are best made at the conference level, not the district level as currently recommended by *The Discipline*. Therefore, FACT recommends a strategic facilities committee be established before year-end, staffed with individuals who have related and relevant experience and who are willing to make the tough decisions, to establish a fair measure of sustainability, and to assess sustainability of all churches in the conference within six months. Often, churches respond out of pride, independent spirit or self-respect, and then become self-sustaining. In many cases, setting expectations makes all the difference.

Additionally, there has been significant talk throughout the Connection on Vital Congregations (under the authority of the Council of Bishops), and FACT is blessed to have some of its members on the Vital Congregations lead team. There are simply too many resources from that team to print here, so we encourage you to click on this link to access countless effective tools that have been used successfully across the Connection. It contains a system for using metrics, making goals, and charting progress.

<http://www.umvitalcongregations.org/site/c.btJRL9NSJoL6H/b.7727161/k.BD6C/Home.htm>

We applaud the Iowa Conference for its excellent history of apportionment giving! That said, as we have found in some other conferences with a focus on apportionments, we have also seen some of their local churches do so by skimping on other expenses, be they benefit payments, cutting back or cutting out property, casualty and liability insurance, etc. Such short-sightedness can put not only the local church at risk, but the entire conference at significant risk, such as in

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

the case of sexual misconduct, etc. The better solution is to cut back on other expenses and or increase offerings, and thus we offer the following, specific to stewardship.

In 2007, the Iowa Annual Conference passed Action Item 1006 8b, which changed significantly in 2009, and has remained the working language ever since:

“Each district shall have a District Stewardship Team to provide resources to local churches in the areas of stewardship. This could include resources for financial campaigns, budgeting, Bible studies, computer systems, stewardship speakers, training of local church leadership, apportionment education or any other resources that may be necessary to assist local churches in their management of God’s financial resources. Additionally, this committee will work in consultation with the District Superintendent to assist churches in arrears in their connectional giving to determine if any special assistance is needed in any of these areas. These District Committees on Stewardship are coordinated through the District Field Outreach Ministers whose responsibilities are coordinated through the Episcopal Office.” – *2012 Iowa Annual Conference Journal*, p. 244 (with further details under Rules of Order III. (C1-3), page 315.

It is the recommendation of FACT that a renewed effort be made to restart these teams. The following steps could be taken:

- Contact is made with Rev. Ken Sloane, Director of Stewardship at The General Board of Discipleship.
- Ken meets with the ministry cabinet to strategize reforming, recruiting, and equipping these teams. This strategizing and planning should be informed by the challenges of the earlier efforts with these teams. Involvement in one initial meeting by the entire ministry cabinet would ensure that all people in leadership understand the formation of the teams and how they would be used. Clarity of these teams’ purpose is critical to success for them and the conference.
- An outcome of the strategy meeting will be the assignment of a staff person or persons (perhaps representing both Connectional Ministries and Finance) to oversee and coordinate the teams.
- Based on this meeting, Ken and the assigned staff person(s) from #4 above will develop a comprehensive plan that could be used in each district. Utilizing their gifts and graces, Field Outreach Ministers could be, but need not necessarily be, the focal points for recruiting and coordinating the district teams with the appropriate gifts and graces.
- Training schedules will be developed. Appropriate apportionment interpretation resources could be developed as well.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

Conference Benefits

FACT recommends establishing a long-term funding plan for all benefits, including health and pension and welfare, which adequately meets the needs of clergy and lay staff in the Iowa Conference.

It is commendable that the Iowa Conference has addressed clergy retiree medical costs by moving to Extend Health in July 2010. This decision has significantly reduced the unfunded liability for the retiree medical plan of the conference. The Iowa Conference is the third conference in the denomination which has moved to the Medicare and health insurance exchange for their retiree plans; the first conference to have contracted directly with Extend Health for this purpose.

Similarly, the Iowa Conference has changed its active medical plan to a consumer-driven health plan, which is a way to encourage clergy and their dependents to be fully engaged on the utilization of their medial and pharmacy benefits. In 2013, the conference will begin a wellness initiative such as requiring clergy to complete an online well-being assessment tool. Bottom line: the well-being assessment is a critical first step toward taking care of oneself, and healthy clergy make for a healthy church.

The Comprehensive Protection Plan (CPP) provides welfare benefits to eligible clergy and their dependents. These benefits are long-term disability benefits for active clergy; and death benefits to active, retired clergy and their dependents. *The Book of Discipline 2008* gives authority for the conference board of pensions to recommend CPP special arrangements participation for clergy who are appointed to voluntary leave, involuntary leave, sabbatical leave, incapacity leave, attending school or serving less than full time. FACT recommends the conference board of pensions review current special arrangements, explore the rationale for why current arrangements have been selected, and consider any revisions that may be prudent and appropriate. In light of changes in the Clergy Retirement Security Program (CRSP) in 2014, provisions for clergy who are serving less than full time and participating in CPP under special arrangements should be looked into to align eligibility rules with the retirement plan.

There has been careful and regular review of the funding levels for the Pre-1982 pension plan; currently the Iowa Conference funded ratio for 2013 is 107%. While this ratio makes required contributions unnecessary to the Pre-1982 plan in 2013, FACT recommends that the conference board of pension review and determine an appropriate target funding ratio for the Pre-1982 pension plan. By establishing a target ratio and recognizing the funded states will continue to fluctuate over time, the Conference can plan to anticipate these changes by reviewing and if necessary change the contribution percentages billed to the churches. Currently, churches are billed for the pension and welfare plans of their clergy at 15% of the clergy's compensation. This is broken down to 12% for the CRSP-DB and 3% for the CRSP-DC. In 2013, churches will be billed at 13% of the clergy's compensation. This will be broken down to 3% for CPP, 3% for CRSP-DC and 7% for CRSP-DB. Is this sufficient? What was the rationale in establishing these percentages?

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

Are there reserves available when there are delinquencies in collecting these amounts from churches or if there is a significant down turn in the investment markets? Is it appropriate to build up a reserve in the billing contribution rate? FACT recommends the conference treasurer and conference board of pension review the contribution methodology for their pension and welfare plans. The Actuarial department at GBPHB can assist in determining funding and reserves levels.

General Financial Sustainability

Self-sustainability, both operationally (mission and ministry) and financially, are ultimately required of all, and even more so today in an environment of declining membership, offerings and reserves—if any. Although some individuals become uncomfortable when mixing money with ministry, the simple truth is that financial realities and ministry are ultimately and inexorably tied to one another. It takes resources, including money, to support one's mission and ministry; and successful mission and ministry will help generate sustaining resources, including money. Listed below are some recommendations to help build toward and maintain financial sustainability and, in turn, sustainability of the Iowa Conference's mission and ministry.

FACT recommends building additional financial reserves to bolster the conference's long-term sustainability, as "rainy days" will always continue to occur. Such reserves would allow the Iowa Conference to maintain successful mission and ministry (provided they support the emerging long-term strategy of the conference) during these rainy days. The Iowa Conference's Council on Finance and Administration must be responsible for building an adequate level of reserves. CF&A is where this responsibility rightly belongs; it is too much work and responsibility for an individual. The Iowa Conference has approximately \$1.4 million in liquid unrestricted, undesignated net assets ("reserves") which are called "working capital reserve" in the audited financial statements as of December 31, 2011. The Iowa Conference financials also report \$22.9 million in unrestricted, designated net assets, yet it is comprised primarily of the conference's property and equipment (\$9.7 million), and assets designated for pension and health benefits (\$13.2 million) – thus, no true net assets for other needs.

With so many members and the community at large relying on the ministry of the conference, it would be fiscally more responsible to accumulate and maintain a greater level of reserves. The "Great Recession" that began in 2008 and still lingers in some ways further demonstrates the importance of maintaining sufficient reserves to survive and sustain operations through turbulent times.

As the economy slowly improves, this is the proper time to set funds aside to increase reserves. In the event of another downturn or natural disaster (such as a tornado or flood), the reserves would be available to cover unexpected increases in expenses, increased demand for programs and ministries, and decreases in funds received from the local churches.

A reserve level between six and 24 months of expenses would be within recommended guidelines for not-for-profit organizations. A minimum amount of recommended reserves would be approximately \$6.4 million (or six months) of liquid unrestricted net assets, as compared

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

with the total of approximately \$12.9 million in conference program, management and general expenses to carry out its mission for 2011. On this basis, as of December 31, 2011, the Iowa Conference had approximately 1.3 months of liquid unrestricted (undesignated and designated) net assets. This is roughly the same level as of December 31, 2010 (when the conference had 1.2 months of reserves). We recommend that the Iowa Conference design and implement a plan to increase its operating reserve level by \$5 million to reach the minimum recommended level of six months of reserves - achieving it within three years; and with present trends of declining membership and attendance; setting up an endowment (e.g. based on valuable farmland, perhaps bequests, etc.) may be more realistic than increased apportionments. We recommend that these monies be treated as undesignated as they grow, so they can be available for programs when needed or for unexpected needs that may arise. An example of this scenario is the payment of church loans that the conference assumes (noted in 12/31/11 audited financial statements footnote 12: for the 1/1/12 subsequent event regarding the assumed loan of \$202,604 by the conference from a closed church).

Also, a formal reserves policy could be created that supports the mission and ministry of the Iowa Conference. We recommend this policy document the amount of reserves to be maintained (both undesignated and designated) and how designated funds can become undesignated as needed. The policy would also document the conditions and requirements for the use of reserves as needs arise. The policy would be linked to the annual budgeting process (including capital expenditures), as well as the five-year strategic planning process.

The policy and planning would be monitored by the Iowa Conference Council on Finance and Administration. This policy and plan would then be publicized across the Iowa Conference to clearly show why the conference needs reserves and why specific funds have been placed in reserves. This policy could continue to build off of the fine work done by the Budget Task Force in 2011.

In conjunction with planning to increase its reserves, the Iowa Conference's Council on Finance and Administration also could continue to review its long-term liability related to three outstanding notes payable. We recognize the Iowa Conference's effort to amend the three loans to a lower fixed rate of 4.65% effective January 2012.

It is worthwhile to consider paying off or refinancing this debt at a an even more favorable interest rate to help minimize interest payments on the large debt load—before the Iowa Conference builds up reserves.

In the area of loans receivable, 40% of the total loan amount is in a non-accruing status of six months or greater. If collection of these amounts (approximately \$232,000) is no longer viable, then the Iowa Conference needs to consider taking action to forgive the loan(s) through a resolution or vote at annual conference.

As part of the annual audit, FACT recommends that the bishop meet every year directly with the auditor to discuss the audit, any issues that may have arisen, and the existing internal controls system designed to ensure the integrity and reliability of the financial statements,

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

the protection of assets from unauthorized use, and the prevention and detection of fraudulent financial reporting. The audited financial statements are the responsibility of the conference, and the bishop is the CEO.

FACT also sees opportunities for the conference to incorporate best practices for budgeting and financial reporting that we have noted in our dealings with other conferences across the Connection. To increase transparency, a standard reporting package should be issued on a monthly basis to key conference leaders such as the Cabinet, CF&A and other leaders as deemed necessary (including pastors to help drive home accountability and Connectionalism, as well provide decision support). This package would include a GAAP-based balance sheet, income statement and statement of cash flows. These statements would conform to the GAAP format as prepared in the annual audit for consistency. The statement of activities would compare actual amounts to budgeted amounts, and would show the dollar and percentage change between actual and budget so these changes could be monitored throughout the year.

In addition, if not already, a report summarizing the status of each church's apportionments should be utilized on a monthly basis to increase accountability and the paid percentage. This report should be grouped by district so the assigned DS, treasurer and others (including the District Committee on Stewardship) can follow up with the churches in arrears and create action plans to increase apportionments. Churches that are faithful in meeting or exceeding their budgeted apportionments should be lifted up and recognized for their effort, including, perhaps, posting quarterly on the Iowa Conference website all churches achievement in selected key areas. Apportionment collection cannot be the job of a single person; it requires a group effort. The timely resolution of apportionment issues can prevent larger problems down the road such as church closings and loan defaults.

Another recommendation area for review would be to continue to periodically review and potentially enhance the current policy and process of leasing automobiles for eligible employees. The analysis would include who needs a car to do their job; their expected miles driven per year; the type of car, its gas mileage, gas prices and purchase price, as compared with a lease or mileage reimbursement. The analysis should include the cost of mileage reimbursement, versus leasing versus purchase. The conference is spending approximately \$11,000 per month on car leases and its analysis has shown that it currently saves money, with leasing over reimbursement; with future reviews as variables change, comparing purchasing to the lease or reimbursement options.

Similarly, another area for review would be conference center and district staffing levels. While there was generally praise for much of the work that was done, many questioned if there were too many staff people. While compared to other conferences, some staffing may be high; but again only a detailed review can measure their outcomes, efficacy and alignment with the conference's vision and long term strategic plan.

Finally, if not current practice, we recommend the treasurer, the Council on Finance and Administration and the Conference Board of Pensions review its investment policy every year to verify that the current investment program is providing optimal risk-adjusted returns.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

Communications

Communications is at the center or at least related to many of the issues that should be addressed within the Iowa Conference, which is not something unique to your Conference. In general, communications is viewed to be better at the conference level than at the denomination level. Positives are a very functional website in terms of retrieving current news and information, an effective Communications Department (2.5 FTE's) and organizational effectiveness of communicating downstream.

Areas of improvement revolve around the need to develop communication strategies, mechanisms and materials to support the Conference Mission once it is defined. In other words, while there are adequate materials and information made available, much of it may not support the needs of the local churches for ministry and growing the congregations. This results in a great amount of information delivery and "communication," but may not support the mission of the Iowa Conference and results in information clutter.

There appears to be a real feeling of "divide" between the Iowa Conference local churches and the UMC in terms of age, social beliefs, and new vs. long standing members. The communication strategies must be developed to address the need to connect and support the local churches in their efforts to make Disciples. With the need to reach younger people for reversing the decline of membership, moving to updated forms of communications are a key element, such as social media, Skype/videoconferencing and video clips. The importance of transparency is viewed to be significant in terms of disclosing where the apportioned dollars go and how the money is spent at the local church and pew levels.

Therefore, FACT recommends additional opportunities in the following areas:

1. Establish a link on the conference website related to the work that is being done through FACT—this will build support and add accountability.
2. Develop a strategy for more advanced communications regarding conference-level finances and apportioned dollars from a church member perspective
3. Improve communications to:
 - youth/young families (explore ways to expand the current use of social media vehicles—Facebook, Twitter, etc.—to attract youth within the annual conference and demonstrate relevancy); and
 - seniors, to counter the reports of ageism that FACT heard. We believe both segments are critical to church vitality.
4. Expand communications to foster connections between those in the pews with their communities.
5. Clearly define and distribute the role of the Communications Team to avoid misunderstandings and false expectations throughout the Conference.

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

In Closing

In this report, FACT has taken many of the Iowa Conference findings and condensed them accordingly. As the Iowa Conference members embrace the recommendations, come to own them and work to realize them, FACT will continue to partner with the Iowa Conference to provide additional information, counsel and support as appropriate.

With all due respect and history as our guide, we would not be surprised if many more conference members reading these recommendations would say, "They are right." But based on our understanding of your history and our observations, the time is now to turn your activity into achievements. Therefore, we need to be more than correct. FACT is here to help move the Iowa Conference from operating a plethora of perceived good mission and ministry, to strategically performing with measurable effective outcomes, and addressing financial and other issues that, if left untreated, will negatively impact the conference's mission and ministry.

Again, while this report may seem daunting or even overwhelming, be not afraid—all of these challenges can be overcome, and all of the opportunities can be captured.

We encourage the Iowa Conference to move from its current state and build on its progress so that all of the conference, particularly its lay and clergy leaders, can fully regain and demonstrate your roles of servant leadership in and throughout the conference. Success depends on making the tough decisions and speaking candidly; please remember "it's not what you say, but how you say it")!

This is your conference; thus the decisions and actions are rightly up to you. The Conference is "church" and of God, and exists to advance the Christian biblical vision. Good News and New Life are at its heart. FACT will help in any way we can. Inaction by the Iowa Conference and/or referral by the Iowa Conference to an entity such as FACT are not options. The declines in attendance, etc. of the Iowa Conference warrants a sense of urgency; action is needed to quickly arrest your decline and regain the vitality you once had ... and can have again. The Iowa Conference is called to be a church worthy of its past.

FACT looks forward to continuing our partnership and helping to ultimately strengthen the Iowa Conference's churches and membership. We are committed to helping create synergies for the long-term sustainability of the Iowa Conference, so that the Iowa Conference can be a successful model of growth and vitality for the denomination—especially the majority of UM churches that are small; this is your call to lead the denomination! Be faithful. And as it so aptly says across the opening to your beautiful conference center, "Be encouraged"!

Respectfully submitted for the long-term relevance and (not just viability but) vitality of the Iowa Conference, by helping to build disciples of Jesus Christ for the transformation of the world.

FACT Members: Bishop Donald Ott (retired)

GBPHB	Brian Berg, Dale Jones, Tim Koch Ross Lundstrom, Josie Martinez	GCFB	Scott Brewer, Pat Youngquist
--------------	--	-------------	------------------------------

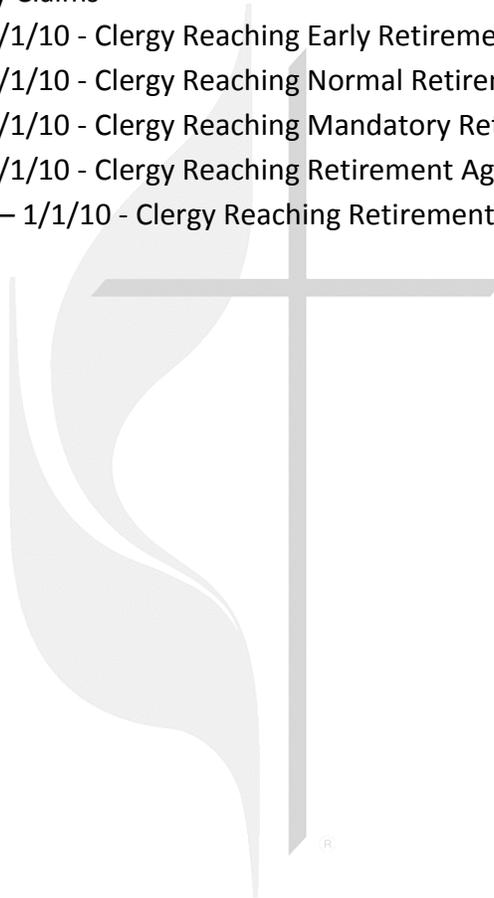
This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

Attachments:

1. Iowa Conference/UMC FACT Slide Introduction - 2nd Meeting on September 12, 2012
2. Critical Success Factors – People
3. Iowa FACT Engagement Recommendation Summary
4. Iowa FACT Engagement Recommendation: Conference Leadership (1/2)
5. Iowa FACT Engagement Recommendation: Conference Leadership (2/2)
6. Iowa FACT Engagement Recommendation: Strategic Planning
7. Iowa FACT Engagement Recommendation: Culture
8. Iowa FACT Engagement Recommendation: Clergy Revitalization
9. Iowa FACT Engagement Recommendation: Ineffective/Entitled Clergy
10. Iowa FACT Engagement Recommendation: Laity Empowerment
11. Iowa FACT Engagement Recommendation: Congregational Sustainability/Apportionments
12. Iowa FACT Engagement Recommendation: Conference Benefits
13. Iowa FACT Engagement Recommendation: General Financial Sustainability
14. Iowa FACT Engagement Recommendation: Communications
15. Critical Success Factors – Process
16. Iowa Conference / UMC FACT Slide Introduction – 1st Meeting on July 26, 2012
17. Trimble Street Sign
18. Iowa Conference/UMC Interview Overall Averages
19. Summary of Interviews (What you've told us)
20. Summary of Interviews (What you've told us) – continued
21. Iowa Conference Data & Trends
22. Some Things to Remember
23. Membership & Attendance
24. Membership & Attendance (Annual Rate of Change)
25. Iowa & U.S. Attendance (Annual Rate of Change)
26. Membership Inflow & Outflow
27. Iowa Conference Rankings
28. Debt & Asset Rankings
29. Spending & Apportionments Rankings
30. Spending Rankings
31. Spending Comparisons
32. Congregational Life Rankings
33. Race/Ethnicity in Iowa – Chart # 1

This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.

34. Race/Ethnicity in Iowa – Chart # 2
35. Population by County
36. Population Change by County
37. Clergy & Charges
38. Iowa Clergy
39. Age Trends – Iowa Clergy
40. Iowa Elders Under Age 35
41. Iowa Clergy Disability Claims
42. Iowa Conference – 1/1/10 - Clergy Reaching Early Retirement
43. Iowa Conference – 1/1/10 - Clergy Reaching Normal Retirement
44. Iowa Conference – 1/1/10 - Clergy Reaching Mandatory Retirement
45. Iowa Conference – 1/1/10 - Clergy Reaching Retirement Age
46. All U.S. Conferences – 1/1/10 - Clergy Reaching Retirement Age



This report reflects the opinions of FACT members, but not necessarily the views of their conferences or general agencies.