



“What is Happening in The United Methodist Church?”

Task Force Report to Church Council

Sunday, July 31, 2022

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Purpose: The study of facts involved in the choices of current or other denomination affiliation for the future of LHUMC.

Objectives of the Task Force

1. To study the issues at hand within The United Methodist Church and how our identity aligns or deviates from the identity and direction of the current United Methodist Church.
2. To study available paths, timelines, and costs of staying in the UMC or separating from the UMC.
3. To study the potential affiliation options beyond the UMC along with beliefs, doctrinal standards, social stances, sacraments, ordination, organizational structure, and missional emphases.
4. To report to the Lake Highlands UM Church Council the potential options as well as a possible path for the future which best allows us to be faithful to our call of God through Jesus Christ.

Process and considerations

LHUMC Mission: Our mission at Lake Highlands United Methodist Church is to transform the people of Lake Highlands and beyond by Connecting through the love of Christ, Deepening relationships with Christ, and Serving with the heart of Christ.

LHUMC Core Values: Lake Highlands United Methodist Church is...

- A Christ-Centered Church
- A Disciple Making Church
- A Biblically Shaped Church
- A Compassionate Church
- A Praying Church
- A Multi-Generational Church
- A Church of Fellowship
- A Wesleyan Church

HISTORY AND EDUCATION

Worldwide, nationally, and locally, our denomination – The United Methodist Church – is facing a difficult time. You may be seeing in the news that churches are splitting, joining new denominations, or becoming independent. Before we dive into the controversy and strife dividing the church, it is important to understand part of the history and structure of the church.

According to The United Methodist Church (UMC) website, on April 23, 1968, with the words, “Lord of the Church, we are united in Thee, in Thy Church and now in The United Methodist Church,” a new denomination was born. The United Methodist Church was created in Dallas, Texas by the joining of The Evangelical United Brethren Church and The Methodist Church, two major Christian traditions with distinguished histories and influential ministries in various parts of the world.

Though the UMC was created in 1968, Methodism dates back to the 1700s when John and Charles Wesley sought to spread the Methodist movement they began as a student small group in Oxford to help people grow in their faith. Today, The United Methodist Church is a worldwide connection of more than 12 million members in Africa, Asia, Europe, and The United States.

Polity

The United Methodist Church as a whole is not a legal entity, though local churches and annual conferences typically are. According to the UMC website, it does not have a central headquarters or single executive leader. Duties are divided among bodies that include the General Conference, the Council of Bishops, and the Judicial Council.

No person or organization except the General Conference, which convenes every four years, has authority to speak officially for the denomination. General Conference, the denomination's top policy-making body, has a maximum of 1,000 delegates half clergy, half laity, from around the world. The conference revises church law and the “Social Principles” (related to a wide range of social and economic concerns) and adopts resolutions on various current moral, social, public policy and economic issues. It also approves plans and budgets for churchwide programs for the next four years.

The General Conference is the highest legislative body of the UMC. It sets official policy and speaks as the entire denomination. It holds the power to revise the Book of Discipline and the Book of Resolutions. It also initiates amendments to the denomination's constitution. It generally meets every four years but may call a special session. Very few special sessions have been called since 1968. General Conference also approves budget allocating apportioned funds, official documents such as The

United Methodist Hymnal and the Book of Worship, and official teachings on subjects such as baptism and Holy Communion.

The Council of Bishops consists of all active and retired bishops in the UMC. In 2020, the church had 66 active bishops. Bishops provide spiritual leadership to the global denomination as well as the episcopal area of one or more annual conferences to which they are assigned. They are also responsible for appointing district superintendents and ministers to local churches.

The Judicial Council is the denominations highest judicial body made up of nine members that include laity and clergy. They consider if various actions of church bodies adhere to the UMC constitution and follow the rules outlined in the Book of Discipline.

Despite legislative, executive, and judicial bodies in place, there are strongly divided beliefs in the church. Homosexuality is the presenting issue, but authority of Scripture is the primary issue. For over 50 years and 12 General Conferences, there has been disagreement on the authority and interpretation of Scripture regarding homosexuality that has led to unresolved division. Let's examine a timeline of events to understand the history of the conflict.

Timeline of Significant Events

1968: The United Methodist Church was formed.

1972: General Conference: There were two major changes in the Book of Discipline.

- 1) A new section was added entitled "Our Theological Task." For the first time, the church made a formal statement on how such a large, diverse, and varied denomination could do theology. The acceptance of the "Theological Task" marked the beginning of what today is known as the Wesleyan Quadrilateral. Scripture, Reason, Experience, and Tradition were described as Wesley's tests for theological reflection. Questions were raised: Did Wesley actually use this method? What weight was given to the four points? How should they be applied to different theological traditions? Universities, seminaries, and local churches debated a concept that raised as many questions as it answered. Was Scripture the "first among equals" or the primary touchstone of the quadrilateral?
- 2) The denomination considered its first articulation of Social Principles. According to the General Commission on Archives and History, beginning in 1908, churches had created a variety of statements touching such areas as worker rights, peace, lynching, economics, treatment of women, and temperance. The 1972 social statement was the first attempt at consolidating all of these historic concerns of the church, along with new concerns, to be brought together in one document. The document was amended in several ways from committee and from the floor of the General Conference, but the most significant amendment was the insertion of the 'incompatible clause' into the document.
Homosexuals no less than heterosexuals are persons of sacred worth, who need the ministry and guidance of the church in their struggles for human fulfillment, as well as the spiritual and emotional care of a fellowship which enables reconciling relationships with God, with others, and with self. Further we insist that all persons are entitled to have their human and civil rights ensured, although we do not condone the practice of homosexuality and consider this practice incompatible with Christian teaching.
- 3) Added statement about same-sex marriage: *We do not recommend marriage between two persons of the same sex.*

1976: General Conference

- 1) Policy statement changed: policy statement from "We do not recommend marriage between two persons of the same sex" to "We do not recognize a relationship between two persons of the same sex as constituting marriage."
- 2) Approved an amendment directing staff and committee people not to give funds to any gay caucus or group "to promote the acceptance of homosexuality."

1980: General Conference

- 1) Failed to add the phrase – "no self-avowed, practicing homosexual therefore shall be ordained or appointed in The United Methodist Church" to The Book of Discipline. The conference noted the denomination "has moved away from prohibitions of specific acts, for such prohibitions can be endless."

1984: General Conference

- 1) "Fidelity in marriage and celibacy in singleness" statement passed.
- 2) The conference reversed its 1980 decision to declare that "self-avowed practicing" homosexuals are not to be accepted as candidates, ordained as ministers or appointed to serve in the United Methodist Church.

1988: General Conference

- 1) Adopted a revised doctrinal statement stressing the primary of Scripture. An updated "Theological Task" was accepted by the General Conference. The new statement clarified that Theology was to find its source in Scripture while Tradition, Reason, and Experience were to act as a help in understanding.
- 2) Added to Human Sexuality statement, "... we affirm that God's grace is available to all. We commit ourselves to be in ministry for and with all persons."
- 3) Formed a committee to study homosexuality.

1992: General Conference

- 1) Received but did not endorse the report of the committee to study homosexuality.
- 2) A statement was approved to "insist that all persons, regardless of age, gender, marital status, or sexual orientation, are entitled to have their human and civil rights ensured."

1996: General Conference

- 1) Added a definition of "self-avowed practicing homosexual."
- 2) Added a declaration that ceremonies to celebrate homosexual unions shall not be conducted by United Methodist clergy or in United Methodist churches.

Late 1990s

Congregations and annual conferences began openly protesting the Book of Discipline and publicly showing their opposition.

2000: General Conference

- 1) Delegates reaffirmed the statement in the Social Principles that homosexuality is "incompatible with Christian teaching."

- 2) Added “We implore families and churches not to reject or condemn their lesbian and gay members and friends.”

2004: General Conference

- 1) Delegates agreed to a statement of unity: “As United Methodists, we remain in covenant with one another, even in the midst of disagreement, and affirm our commitment to work together for the common mission of making disciples throughout the world.”
- 2) Delegates reaffirmed the denominational position on homosexuality.
- 3) Specified “being a self-avowed practicing homosexual” as a chargeable offense for which a United Methodist clergyperson could be tried in a church court.

2008: General Conference

- 1) Delegates approved a new resolution to oppose homophobia and heterosexism.
- 2) An attempt to deny ordination of transgender persons failed.

2012: General Conference

- 1) Two items stating Christians have different opinions about homosexuality were not approved, leaving the current language intact.

2015: United States Supreme Court

On June 26, 2015, the U.S. Supreme Court struck down all state bans on same-sex marriage, legalized it in all fifty states, and required states to honor out-of-state same-sex marriage licenses in the case Obergefell v. Hodges.

2016: General Conference

- 1) 111 United Methodist clergy and candidates came out as gay on May 9.
- 2) Rev. Karen Oliveto was elected first gay bishop of UMC Western Jurisdiction.
- 3) Bishops were asked to lead the denomination in a way forward towards unity amid divisions over homosexuality. This won by a narrow margin. The Council of Bishop’s set up Commission on A Way Forward, a 32-person group from around the world, laity and clergy, diverse in every way.

2017: General Conference

- 1) UMC Judicial Council rules Oliveto’s appointment violates Church law.

2019: General Conference

- 1) Report from the Way Forward Commission, leading to recommendation of “A Way Forward, One Church Plan” (leaving homosexuality issue up to individual churches – the Bishops recommendation) was rejected.
- 2) Instead, the “Traditional Plan” was adopted (53%/47%) and local churches are given limited right to disaffiliate from UMC for reasons of conscience related to homosexuality.
- 3) The addition of paragraph 2553 to the Book of Discipline allowing for disaffiliation and included churches being able to keep their property. This paragraph has an expiration date of December 31, 2023.

2020: General Conference postponed due to Covid until 2021.

2021: General Conference postponed due to Covid until Fall 2022.

2022: General Conference postponed next conference until 2024 but didn't extend the expiration date of paragraph 2553.

Global Methodist Church launched on May 1, 2022 rather than wait until the disaffiliation agreement expired.

North Texas Conference publishes General Framework for Disaffiliation.

Divided Points of Views and Beliefs

United Methodists throughout the world are bound together in a connectional covenant in which we support and hold each other accountable for faithful discipleship and mission. For 50 years, the church's teachings on human sexuality have taught two things that have been held in tension: 1) The practice of homosexuality is incompatible with Christian teachings, and 2) LGBTQ are welcome in our congregations and deserve our ministry. They are people of sacred worth. These are part of the United Methodist Church's Social Principles. Other rules in the Book of Discipline support these Social Principles including ordination, appointment, and accountability.

Since the 1972 General Conference, in almost every succeeding General Conference this debate has been the major issue and continuing story. Though the controversy has been going on for 50 years, it accelerated when the United States Supreme Court legalized same-sex marriage in 2015. The church has faced significant pressure to change its position to align with the culture. Finally in 2016, the General Conference said it could no longer deal with the issue and asked the Council of Bishops to develop a plan for unity to move forward. At the 2019 General Conference, The Traditional Plan passed 438-384 as the path forward. The Traditional Plan is consistent with the denomination's historic stance on human sexuality, outlined in the Book of Discipline since 1972. Additionally at the 2019 General Conference, ¶ 2553 was adopted into the Book of Discipline which provides a provision for local churches to disaffiliate from The United Methodist Church and retain its property.

While the Book of Discipline's statements on human sexuality have not changed, and the requirements for ordination and clergy have not changed, disobedience of jurisdictional conferences, annual conferences, bishops, and clergy, combined with ongoing frustrations over interpretation of Scripture regarding human sexuality have led to the immediate cause of the church split.

Disaffiliation Timeline and Process

Because of the current deep conflict within The United Methodist Church around issues of human sexuality, under The Disaffiliation Plan ¶ 2553, a local church shall have a limited right, under the provisions of this paragraph, to disaffiliate from the denomination for reasons of conscience regarding a change in the requirements and provisions of the Book of Discipline related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.

Under Paragraph 2553, the choice to disaffiliate must be made in sufficient time for the process to be complete prior to December 31, 2023. The provisions to disaffiliate under paragraph 2553 expire after December 31, 2023 and shall not be used after that date.

General Terms for Disaffiliation for the North Texas Conference

The terms and conditions for disaffiliation shall be established by the board of trustees of the annual conference, with the advice of the cabinet, the annual conference treasurer, the annual conference benefits officer, the assistant to the bishop, and the annual conference chancellor.

Timeline for Disaffiliations Needing Approval at Annual Conference 2023

1. By August 15, 2022, the initial conversation between the District Superintendent (DS) and the pastor and/or lay leadership must take place.
2. By October 1, 2022, the initial meeting with the local church and the District Superintendent / Discernment Team must take place.
3. By December 1, 2022, the District Superintendent must receive a letter from the local church requesting disaffiliation under paragraph 2553.
4. By December 1, 2022, the District Superintendent must receive a letter from the pastor indicating his/her intentions.
5. By December 31, 2022, the District Superintendent must receive a letter from the local church requesting a church conference for the purpose of disaffiliation.
6. By March 1, 2023, the church conference must meet and approve the disaffiliation resolution.
7. By April 1, 2023, the local church, board of trustees, and assistant to the bishop prepare a legislative item for Annual Conference action.
8. By June 6, 2023, the annual conference votes on the disaffiliation resolution.
9. By December 31, 2023, all terms of the disaffiliation agreement must be met by the local church.

Overview of Process

1. Initial Conversation: When a) a District Superintendent (DS) discerns that a local church is interested in and meets the criteria for disaffiliation under ¶ 2553 or b) local church leadership inquire about disaffiliation, information about the Wesleyan Covenant Association (WCA), etc., the DS will communicate with the pastor and/or lay leadership and offer to come for a meeting to share the process. Contact/inquiry must come from at least one of the following: pastor; lay leader; council/board chair.
2. Initial meeting: The DS and members of the Discernment Team will meet with the congregation to listen to their concerns, to share about the identity and the “value” of the North Texas Conference, and to share about the disaffiliation process. The Discernment Team also will seek to ensure the local church body is present and informed as to the reasons why leadership is proposing disaffiliation, as well as to get a “feel” of the congregation’s sentiment about disaffiliation. All professing members of the local church will be invited. The Discernment Team will come to the meeting with an estimated payment amount per the required terms.
3. Follow up conversation with the pastor: Around the same time the initial meeting with church leadership is held, the DS will also have an informal conversation with the pastor to discern where the pastor is in his/her alignment with the congregation’s desires, his/her leadership role in the departure process and the implications of the church’s decision on his/her future in ministry.

4. Period of Discernment: To avoid rash decisions or to ensure fully informed decisions are made, there will be a minimum two-month discernment period before moving forward with the disaffiliation process. The Discernment Team will hold at least one follow up meeting in the discernment period and before December 1, 2022 to which all professing members of the local church will be invited to listen further, answer questions that have emerged, and to continue discerning if the local church desires to move forward with the disaffiliation process.
5. Local church makes a formal request: The local church must send a letter to the DS (copied to the conference treasurer and assistant to the bishop) expressing their desire to disaffiliate. Until December 31, 2023, all disaffiliations will be guided by ¶ 2553. As such, in the letter the local church must sufficiently articulate their “reasons of conscience” or “the actions or inactions of its annual conference” that would justify ¶2553 being utilized if that is the local church’s intent. A consensus is reached by the DS and Discernment Team as to whether the reasons articulated rise to the level of a ¶2553 departure. The DS and Discernment Team need to be reasonably sure that whatever is submitted represents the views of a significant portion of the professing members of the local church as may be reflected by the position of the board/council.
6. Pastor communicates his/her intentions: Pastor provides in writing his/her intention to remain with The UMC, retire, or surrender credentials to continue to lead the church. As of June 2022, there are efforts being made across The UMC connection to reach alignment on interpretation of ¶ 360.1 and ¶ 360.2, which may lead to additional options related to Ordained Clergy who may leave The UMC.
7. Local church requests church conference: Assuming the DS and Discernment Team agree that the local church’s reasons meet the standards of ¶ 2553, the local church would then send a letter to the DS requesting a church conference for the purpose of disaffiliation, indicating a disaffiliation date which must be a date following the next AC. In the letter, the local church should indicate that they understand the “cost” the DS / Discernment Team has shared with them. It will be important to note that cost is beyond financial. The DS must schedule the church conference within 120 days.
All church conferences must comply with all requirements of ¶ 248 which includes but is not limited to:
 - a. being requested by one of the following: the DS, the pastor, the church council, or 10% of the professing membership;
 - b. notice of time and place given at least ten days in advance by two or more of the following: from the pulpit of the church, in its weekly bulletin, in a local church publication, or by mail;
 - c. the church must provide a copy of any published notices as well as a list of the addresses to which the notices were mailed. (Sufficient evidence that the full membership has been properly notified will be requested by the DS.)
8. Preparations for the church conference: The board of trustees approves the final terms and conditions for disaffiliation. Treasurer prepares a document detailing payments required. Conference prepares disaffiliation resolution and process for proper voting. A printed list of church members on the roll should be compared to previous years of statistical review membership numbers.
9. Church Conference: The DS will preside. Members should sign-in next to their name on the verified printed membership roll. The disaffiliation resolution must be approved by two-thirds (2/3) majority vote of the professing members present and voting. The ballot and voting results must be signed and certified by an officer of the church and sent to the DS.

10. Follow up from church conference: If the church conference votes to disaffiliate from The United Methodist Church, the terms and conditions for that disaffiliation shall be established by the board of trustees of the annual conference, the annual conference treasurer, and assistant to the bishop. DS sends disaffiliation agreement and vote count to trustees through the treasurer/assistant to the bishop and a copy to the chancellor. The terms and conditions, including the effective date of disaffiliation, shall be memorialized in a binding Disaffiliation Agreement between the annual conference and the trustees of the local church, acting on behalf of the members. The local church then provides the following documents to the DS, treasurer, and assistant to the bishop (The tenor of the following is for the NTC to do its due diligence – to ensure the thorough transfer of each of item and that each is accounted for in the disaffiliation process.):

- a. last statement of all bank accounts;
- b. latest financial statement and balance sheet;
- c. documentation of any debt;
- d. information and balances for endowments or restricted gifts;
- e. copies of all deeds and key contracts;
- f. copies of leases and loan documents;
- g. documentation of any grants received from the AC or district in the past ten years;
- h. information on cemetery or columbarium;
- i. information on BSA Charter Org and any other chartered organizations;
- j. names of church's Secretary and Chair and Vice Chair of its Board of Trustees;
- k. name of any successor church to which its property and legal descriptions for the real property;
- l. list of Insurance Policies and renewal dates

11. Annual Conference Action: Conference board of trustees works with the assistant to the bishop and local church to prepare a legislative item. It must be submitted by April 1 per Standing Rules unless with special permission. For disaffiliations under ¶ 2553, the annual conference must vote to approve the disaffiliation resolution previously agreed to by church and conference trustees. Disaffiliation does not happen until after the AC votes. The annual conference must approve the legislative item by a simple majority.

12. Final matters: The local church fulfills the terms of the Disaffiliation Agreement and prepares a final statistical report and church archives. In addition, the local church will:

- a. change name on bank accounts, insurance, etc.;
- b. file new deeds with Clerk of Circuit Court;
- c. remove Cross and Flame logo and mention of The UMC from signage, websites, etc. It is expected that disaffiliating churches will act in good faith to remove such items within one year from the date of disaffiliation. Hymnals, Faith We Sing, and Bibles emblazoned with the Cross and Flame are exempt from this requirement. There is no further accountability to The UMC with regard to Cross and Flame emblazoned Hymnals, Faith We Sing, and Bibles.
- d. obtain new state and federal tax ID numbers;
- e. apply for tax exempt status with the IRS;
- f. apply for tax exemption with counties in which it owns real property;
- g. take all necessary steps to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities. (All sale of property must take place after AC vote.)

What if a local church determines it would like to re-enter the Annual Conference? If a local church that has disaffiliated determines that it wishes to re-enter the Annual Conference, it shall notify the presiding bishop. The decision to become a member of the annual conference can only be made with the consent of the presiding bishop and the cabinet and in accordance with the provisions of ¶ 259 of The Discipline. In addition, the decision must be approved by a two-thirds (2/3) majority vote of the professing members of the local church present at a church conference called for this purpose. If a local church is re-established as a local United Methodist Church, the conference treasurer shall determine the amount of any funds paid for pension liabilities pursuant to the disaffiliation agreement, plus any investment earnings and minus any investment losses, calculated in accordance with the annual conference pension liability policy. The balance, less any funds paid to cover pension obligations, shall be rebated to the local church within 6 months of the date it re-enters the annual conference.

DENOMINATIONS

The United Methodist Church (UMC) is a worldwide connectional church with decidedly Wesleyan theology. There are more than 12 million members (US Membership approximately 6 million), 134 annual conferences, approximately 32,150 congregations, and over 83,500 clergy. The UMC is in mission in more than 130 countries worldwide and provides aid through United Methodist Committee on Relief (UMCOR).

Challenges in the church today include adherence to the Book of Discipline. The UMC is also an organization that is administratively hindered. There is also not a consistent Doctrinal practice across the entire church body nor consistent adherence to the Social Principles agreed to by General Conference.

We take a look at a comparison of the United Methodist Church (UMC), the Global Methodist Church (GMC), and provide a thought on being an Independent Church (IC).

There are at least 34 denominations that are Methodist denominations that trace their beginning to the theology of John Wesley. The UMC is only one of these denominations. One of the most recent denominations to come into being is the Global Methodist Church (GMC) that began in May of 2022, formed by the Wesleyan Covenant Association (WCA). It is closely aligned with its theology and organization to the UMC, but there are differences which are outlined below.

Independent Church

An alternative to the UMC is being an Independent Church (IC). Starting a church is very much like starting a business, and it takes a bit of bureaucratic navigation to obtain a charter. Part of going through the process of getting a church charter is sorting out how your church will be organized and managed. You must also incorporate the congregation and comply with IRS regulations in order to obtain a charter. A church charter is granted by a parent ministry and will sanction your operations as a legal organization.

Creating a church constitution and bylaws that outline the internal church government, administrative organization, and management procedures for your church is required. The church would have to

establish a written policy regarding commissioning and paying ministers and staff, as well as outline and define the finance and budget parameters.

Being an independent church would not offer the economies of being part of a larger body of Christ. As such there would be more administrative duties. For example, there would be no appointment of clergy.

Being an independent church is certainly an option to both the UMC and GMC, or any other denomination for that matter. It would just mean that a congregation would be on their own establishing themselves as a church. This is not an impossible task but seen as one with a greater learning curve coming from a connectional system. The rest of the information presented below is a comparison between the UMC and GMC.

1. General Comparisons between The United Methodist Church (UMC) and the Global Methodist Church (GMC).

**BOD refers to UMC Book of Discipline. BDD refers to GMC Book of Doctrines and Discipline.*

There are some areas where the two denominations are very similar:

- The connectional conference structure is very similar with both having General Conference, Jurisdictional Conference (called Regional Conference in the GMC); Annual Conference, District Conference, and Charge/Church Conference in the local church.
- The basic local church organization is very similar with both having a Church Council, Pastor-Parish Relations Committee, Finance Committee, Board of Trustees, and Nominations Committee.
- Both groups practice baptism of infants, children, youth, and adults with the traditional Wesleyan understanding of sprinkling, pouring, or immersion.
- The UMC and the GMC both emphasize the importance of the confirmation process for children to make a profession of faith.
- The appointment system of pastors is very similar with the bishop making appointments in consultation with the Cabinet and the local church. The GMC will maintain existing appointments during transition if possible. Bishop or president pro tempore makes appointment after extensive consultation with clergy and P/SPR Committee, including feedback on fit from clergy and P/SPRC and rationale from bishop for the appointment.
- Both denominations have District Superintendents who oversee the pastors and churches within a district, but in the GMC they are called Presiding Elders (an historical term used in the Methodist movement in the past).

There are some areas where the two denominations are slightly different:

- The mission of the church in the UMC is to “make disciples of Jesus Christ for the transformation of the world,” whereas in the GMC it is to “make disciples of Jesus Christ who worship passionately, love extravagantly, and witness boldly.”
- Bishops provide leadership in both denominations but there are some differences. In the UMC, bishops are elected for life by the jurisdictional conference. In the GMC, they have term limits and the process for election has not yet been determined. In both denominations, the bishops’ salaries and benefits are set by the general church, but in the UMC they are paid through a general church apportionment while in the GMC they are paid from the annual conference budget. Bishops are considered an employee of the GMC annual conference.

- The UMC teaching on human sexuality affirms the sacred worth of all people and states that homosexuality is incompatible with Christian teaching. The GMC says human sexuality is a gift of God to be exercised only between a man and woman with the covenant of marriage, and gender is defined at birth.
- The UMC currently affirms the sacred worth of all and God's grace available to all. The UMC does not condone practice of homosexuality and considers the practice incompatible with Christian teaching. The GMC has no explicit reference to homosexuality; rejects pornography, polygamy and promiscuity; and commits church to be a safe place of refuge, hospitality, and healing for all experiencing sexual brokenness.

There are some key areas where the two denominations are very different:

- The biggest difference between the two denominations will be their expectations of local churches and clergy as it relates to theological beliefs and what is taught in churches. The UMC espouses a broad tent perspective as it relates to clergy and local church beliefs so that pastors and churches can preach and teach views that fall from one end of the theological spectrum to the other, from very conservative to very progressive. In the GMC, there is a requirement that churches will teach and preach traditional biblical and Wesleyan doctrines as outlined in the Transitional Book of Doctrines and Discipline.
- Another major difference is the GMC is a new movement while the UMC has been around since 1968. The GMC is currently being birthed so the Transitional Book of Doctrines and Discipline is the starting point, and emphasis should be placed on the word "transitional." The GMC will hold its first convening conference within 12-18 months of its formation and finish the work on its Discipline. There could be small changes or significant ones. On the other hand, if many conservatives exit the UMC, there likely will be changes on the horizon at its next General Conference.
- Local church property is held in trust by the annual conference for the denomination in the UMC. In the GMC, there is no trust clause, and the local church has full ownership and control of their property.
- Both denominations use an apportionment system. Apportionments are capped in the GMC at 1.5% for general church ministry and 5% for annual conference ministry. The percentage is calculated off a local church's operating income from the previous year. In the UMC, there is no cap and a local church's portion is calculated off operating expenses from a 3-year average of prior years. UMC apportionments are generally 7-15% of the local budget.
- Both denominations have social statements that deal with pertinent social issues in their respective Disciplines. The UMC has Social Principles and the GMC has Social Witness. The major difference lies in the fact that the Social Principles are not binding on clergy or the local churches in the UMC. But in the GMC, clergy and local churches must agree to support and teach the Social Witness.
- Ordained elders are guaranteed an appointment in the UMC but not in the GMC.
- Clergy retirement is mandatory at 72 in the UMC. The GMC has no mandatory retirement, but a pastor may choose "senior status" which removes the obligation to be appointed.

2. Curriculum

Access to curriculum should not be any different. Studies for small groups will continue to be available from sources of the groups choosing. Curriculum is not seen as a major difference with any

denomination. The consideration will be if the material is in keeping with the theology of and the basic beliefs as expressed by the congregation.

3. Discernment

The process starts with a majority vote by the Church Council to explore disaffiliation from the UMC. It is a period for understanding the congregation, allowing time to hear their voice on hopes for the future, and determining where God is calling them. The process is based on information, communication, and prayer.

The outcome of the discernment process may not end in a vote to disaffiliate from the UMC, but rather remain. It may end in a vote by the members to disaffiliate from the UMC. This is not a single meeting process but one that will take place over several weeks and months. It is not a process to take lightly or casually.

4. Financial backing

LHUMC has available to it the use of the Texas Methodist Foundation (TMF). It provides financial services to UMC churches for our conferences as well as other conferences in Texas and New Mexico.

GMC does not offer such financial backing currently.

Net worth of the UMC is approximately \$621.5 million (\$459.7 million in restricted assets and \$161.9 million in unrestricted assets). The net worth of the GMC has yet to be determined.

5. Other requirements

Joining the GMC as local church is straightforward. For all local churches wanting to join the new denomination, whether currently United Methodist, from some other denomination, or presently independent, a congregational meeting must be convened. At that meeting professing members can vote to adopt a motion authorizing the local church to become a member congregation of the Global Methodist Church. The congregation is asked to affirm and endorse the GMC Social Witness and its Transitional Book of Discipline and agree to be accountable to same. With approval by the congregations governing body, this information is sent to GMC along with other information for a vote by the GMC's Transitional Leadership Council (TLC). There are no fees paid to the GMC. GMC will allow the congregation to keep their current clergy if both the clergy and the congregation agree, and the clergy move to the GMC as well.

LEGAL

Lake Highlands United Methodist Church is part of the United Methodist Church and the North Texas Conference. Articles of Incorporation were filed with the State of Texas on February 9, 1984 under the name Lake Highlands United Methodist Church, Dallas, Texas as a perpetual domestic nonprofit corporation for the purpose "To promote the cause of Christ in the community."

Trust Clause

Under the Book of Discipline ¶ 2501. Requirement of Trust Clause for All Property – All properties of United Methodist local churches and other United Methodist agencies and institutions are held in trust

for the benefit of the entire denomination, and ownership and usage of church property is subject to the Discipline.

Articles of Incorporation

The Articles of Incorporation of LHUMC complies with the Trust Clause, stating (among other things): The Corporation shall support the doctrine, and it, and all of its property both real and personal, shall be subject to the law, usages, and ministerial appointments of The United Methodist Church as are now or shall be from time to time established, made, and declared by the lawful authority of the said church.

If, for any reason, the corporation shall cease to exist as a legal entity and its charter shall expire or be terminated, the title of all its property both real and personal shall be vested to the trustees of the Annual Conference....and all such property shall be held in trust for the benefit of the local church.

Current Liabilities

The Church does not carry any debt and currently has no open insurance claims.

Case Law

While most churches choosing to disaffiliate are following their Annual Conference processes, there are lawsuits in other states against Bishops of Annual Conferences over different processes and requirements for disaffiliation. Some churches are faced with bigger burdens than others to disaffiliate. For example, in the North Texas Conference, the District Superintendent and Discernment Team must agree that the local church's reasons meet the standards of ¶ 2553. This is not a burden all other annual conferences have.

Supreme Court

The Methodist Trust clause is a question has been brought before the Supreme Court. The U.S. Supreme Court held that states have "an obvious and legitimate interest in the peaceful resolution of property disputes." For that reason, civil courts are permitted to address such disputes, but the Religion Clauses in the U.S. Constitution "severely circumscribe the role that civil courts may play in resolving church property disputes." In other words, Courts may only go so far as resolving property disputes and will not address theological concerns.

Texas Supreme Court

In a landmark decision, a Dallas Texas County Court invalidated the enforcement of The United Methodist Church Trust Clause in favor of Southern Methodist University thereby freeing it from property ownership claims of the South-Central Jurisdictional Conference of the United Methodist Church. The Court entered an order dismissing the Conference's lawsuit it its entirety upon concluding that there is no enforceable express or implied trust as a matter of law. The conference has filed an appeal to the Texas Supreme Court which recently invalidated a similar trust clause by the Episcopal Church.

The State of Texas recognizes local churches as nonprofit corporations when filed under 501(c)(3) status and rules on state law. The State of Texas does not rule on church law. As a result, many churches are beginning to change their Articles of Incorporation to remove any reference to the Trust Clause.

FINANCIAL

Should LHUMC decide to stay in The United Methodist Church or decide to disaffiliate, it should be prepared for membership and financial impacts in the coming years, potentially both positive and negative.

Since the General Conference in 2019, some have been leaving our local church due to the tensions in the United Methodist Church. At the same time, many new people have joined our church because of the same and other reasons. Additionally, many will stay at LHUMC because this is their church home. Because of these variables, it is not possible to predict a decrease or increase in giving.

Potential Impacts if LHUMC Remains in The United Methodist Church

Apportionments may or may not be affected as other churches disaffiliate from The United Methodist Church. This cannot be determined now. It is unclear if the North Texas Conference will reduce its cost structure commensurate with any departing churches or if the remaining churches would be expected to absorb the costs.

If LHUMC decides to remain in the UMC, but disaffiliates after ¶ 2553 is expired, the church could potentially lose an estimated \$8.9 million plus in property and assets, not including land value.

Potential Impacts if LHUMC Disaffiliates from The United Methodist Church

There are many unknown financial impacts that can only become known if we enter the discernment process. Any church that disaffiliates under ¶ 2553 is required to pay an additional year of apportionments and its pro rata share of any aggregate unfunded pension obligations to the annual conference. These funds would all be due by December 31, 2023. These estimated amounts per the required terms will only be revealed to the church if it notifies the District Superintendent that it is interested in entering a period of discernment about the disaffiliation process.

The North Texas Conference is one of the few conferences that provides property, liability, and health insurance for its churches. Most other churches in The United Methodist Church are responsible for procuring their own insurance. It is possible that insurance premiums may go up and coverage of insurance may or may not be the same as currently provided.

Other costs would include any professional fees associated with the requirements outlined in the disaffiliation framework:

1. Change name on bank accounts, insurance, etc.;
2. File new deeds with Clerk of Circuit Court;
3. Remove Cross and Flame logo and mention of The UMC from signage, websites, etc. It is expected that disaffiliating churches will act in good faith to remove such items within one year from the date of disaffiliation. Hymnals, Faith We Sing, and Bibles emblazoned with the Cross and Flame are exempt from this requirement. There is no further accountability to The UMC with regard to Cross and Flame emblazoned Hymnals, Faith We Sing, and Bibles.
4. Obtain new state and federal tax ID numbers;
5. Apply for tax exempt status with the IRS;
6. Apply for tax exemption with counties in which it owns real property;

7. Take all necessary steps to close and/or dissolve any legal entities and to settle, liquidate, or transfer all assets and obligations of such entities. (All sale of property must take place after AC vote.)

CONCLUSION

Our taskforce committee has been gathering biweekly since June to better understand the history behind the division in the church and explore implications of remaining or disaffiliating from the UMC from denominational, legal, and financial perspectives. There are still many unanswered questions, but hopefully the Church Council understands the urgency of this initial deadline and some of the long-term consequences. We thank you for trusting us with this important work.

Church Council is not being asked whether we should disaffiliate from The United Methodist Church. However, Church Council is being asked whether we should have a churchwide conversation and proceed with a time of discussion, discernment, and prayer to consider the facts as they would relate to the most faithful future for LHUMC.