PSV 2027 BUDGET
QUESTIONS and ANSWERS

1. **When** was the last time PSV operated with a balanced budget?

   ANSWER - It has been at least 6 years. This needs to be verified.

2. **How** much of the 2026 budget was subsidized by the Church Development Fund or reserves?

   ANSWER - STILL TO BE DETERMINED

3. **What** is driving the increase per capita? Are there specific expenses contributing to the increase?

   ANSWER - The biggest reason for the increase in per capita is the new DDAC staffing model and the loss of CDF money. If we still had $250,000 (annually) of CDF money to support operations expenses, we would not need as much an increase per capita. Inflation is also a prime driver of per capita increases. The General Assembly share for 2027 is also up by approximately $1.00.

4. **Which** expenses increased the most, and why?

   ANSWER - Payroll costs represent the largest share of the budget, and the 4% staff increase represents the largest increase. The reason is inflation.

5. **Are** there any new expenses contributing to the increase?

   ANSWER - There were no new expenses in this year's budget. The Church Planter and Chaplain positions for 2027 are being funded from sources outside the operating budget (e.g., the Church Development Fund and a portion of the proceeds from the sale of Crestview Presbyterian).

6. How does PSV's proposed rate compare with those of other presbyteries of a similar size?

   ANSWER - Based on a review of more than thirty published 2026 PC(USA) presbytery rates, the median is approximately $44 per member. Rates vary, with many falling between $40 and $50. A $55 Scioto Valley rate would place us toward the upper end of the published rates reviewed, while $60 would place us among the highest. However, rates are not directly comparable unless we also consider investment income, reserve usage, mission giving, staffing, and the expenses each presbytery chooses to fund through per capita.

7. **What** alternatives were considered besides raising per capita?

   ANSWER - The alternatives considered were: (1) shifting to remote work; (2) reducing full-time staff; (3) submitting grant applications; (4) decreasing discretionary expenses; and (5) implementing cost-sharing for health insurance.

8. **How** will this increase affect small, declining, or financially struggling churches?

   ANSWER - That is a good question, and we honestly do not know the potential impact on these churches.

9. Is the $50 rate based on what the presbytery actually needs or on what CPO believes congregations would accept?

ANSWER - To be honest, it is a combination of the two. We legitimately need $55 or more to balance the budget, but we know that many churches may not support the full amount needed. We also recognize that higher per capita amounts will result in a lower participation rate.

10. How much of the per capita billed to congregations is actually collected each year?

ANSWER - For the last few years, we have collected an average of just over 75% of the allocated per capita, with our best year reaching a 78% collection rate.

11. How much does unpaid per capita cost PSV annually?

ANSWER - Approximately $45,000.

12. How much does PSV pay to the Synod and General Assembly for each reported member?

ANSWER - Each reported member costs PSV $14.24 in 2026.

13. How much is PSV paying because congregational membership rolls have not been updated?

ANSWER - For our two largest churches alone, we pay for at least 700-800 members ($14.24 each) because the churches have not updated their rolls. That amounts to between $10,000 and $11,500 in uncollected per capita that PSV, as required by the Book of Order, remits to the Synod and General Assembly each year for just those two churches.

14. Will more accurate membership reporting reduce the need for future per capita increases?

ANSWER - It will not eliminate the need for per capita increases, but it would certainly help moderate the amount of those increases.

15. Does the budget assume that every congregation will pay its full per capita? If not, what collection rate was assumed?

ANSWER - The budget assumes a 75% collection rate.

16. Why can't investment earnings or reserves be used to close the budget gap?

ANSWER - Using investment earnings or reserves is not sustainable. That is what we have been doing, and it has not been working.

17. What is the presbytery's policy concerning the appropriate level and use of reserves?

ANSWER - See the attached policy on Financial Reserves. It is on the agenda for a first reading at the November Presbytery meeting.

18. Is the budget structurally sustainable, or does it postpone difficult decisions?

ANSWER - At a per capita level of less than $55-$60, the budget is unsustainable. The difficult decisions involve depleting the Church Development Fund or our operating reserves, which is simply 'kicking the can down the road' for future years.

19. What is the total cost of each new position, including benefits and related expenses?

ANSWER - The total planned cost for the Church Development Professional is $111,320. The chaplain position, which has not yet been filled, is budgeted at $65,000 plus benefits. The total cost will depend on whether the person hired needs family health insurance coverage.

20. Were these positions included in the budget approved by the presbytery?

ANSWER - The 2027 budget has not yet been approved; however, estimated expenses for these positions were included in the budget submitted for the first reading. The expenses do not affect the 2027 operating budget. The Church Planter is being funded, rightly so, from the Church Development Fund, and the Chaplain position is being funded with a portion of the proceeds from the sale of Crestview Presbyterian.

21. Who approved of these positions, and under what authority?

ANSWER - Under the Manual of Operations and established PSV policy, the PSV Council approves the positions, and CPO is responsible for posting them, recruiting candidates, interviewing applicants, and hiring for the positions.

22. What financial outcomes will be expected from the new positions, and by when?

ANSWER - Chaplain: There is no expected financial outcome from providing pastoral care to the underserved areas of the Presbytery. We hope, however, to see an incremental increase in per capita from churches in the southern part of PSV if they experience the benefits of increased pastoral care.

Church Planter: The expected financial outcomes are growth and increased membership, with results anticipated within two years.

23. Could the presbytery delay or eliminate any of the positions to reduce the per capita increase?

ANSWER - The new positions do not affect per capita or the operating budget.

24. When were the budget and supporting materials distributed?

ANSWER - The proposed 2027 budget was distributed with the PSV August 19 meeting packet. Links to the detailed budget have also been posted in the weekly eNews.

25. Were former leaders or others with institutional knowledge consulted during budget development?

ANSWER - Yes. Former leaders and others with institutional knowledge are always consulted.

26. What has changed since the budget was presented on August 19?

ANSWER - The following items were updated: rent for the PSV offices, investment allocation, and the cost of benefits paid to the Board of Pensions.

27. Were the three Zoom meetings listening sessions, informational meetings, or meetings at which decisions were made?

ANSWER – The 3 Zoom meetings were not well attended but the folks who did attend asked focused and direct questions. We listened to and provided direct answers to address specific questions raised by PSV representatives. No decisions were made during these sessions.

28. What ministry priorities does this budget support?

ANSWER - Remember that we have two budgets: operations, funded by per capita, and mission, funded by mission giving. The mission budget is fully funded through a combination of mission giving and mission reserves. Per capita is used strictly to fund the operating budget.

29. How does the budget reflect PSV's mission rather than simply maintaining existing operations?

ANSWER - The addition of the Church Planter is a vital part of our mission. It is important that we try to grow and expand our mission in unserved areas of the Presbytery.

30. Is PSV staffed and structured appropriately for its current number of congregations and members?

ANSWER - We think it is. The Council and CPO believe that adding a chaplain to serve members in the southern part of the Presbytery will provide a vital service to those without pastoral support. We also feel strongly that the Church Planter is a critical addition to the staff. If we do not at least try to plant new churches, we are resigning ourselves to progressive decline. We need to plan and plant for the future.

31. What is the long-term financial plan as membership continues to decline?

ANSWER - We do not yet have a good long-term plan for the continuing decline in membership. We are spending most of our energy trying to get a short-term plan approved.

32. Are congregations receiving sufficient value and support for the per capita they pay?

ANSWER - That is for the congregations to decide. They need to let us know how we can better serve them or whether they believe there is something we should be providing that we are not. Obviously, some congregations see value in supporting PSV, while others do not.

33. What services or ministries would congregations lose if the budget were reduced?

ANSWER - A line-by-line review of the budget shows that very few expenses can be reduced in the short term. In the short term, we could eliminate staff increases or the Presbyter for Congregational Life and Transitions position (Emily's position).

For 2028 and beyond, we propose moving to a virtual office environment. Closing the PSV offices would reduce rent by approximately $20,000 per year, reduce telephone costs, and eliminate the office copier expense.

34. What changes will leadership make to rebuild confidence in the budgeting and decision-making process?

ANSWER - Leadership has always tried to be transparent and includes financial reports in every Presbytery packet. CPO, the Treasurer, and the Executive Presbyter are always available and willing to discuss the budget and answer questions. Frankly, we receive questions, input, or concerns only when we propose increasing per capita by more than $1-$2 per year.

The motion at the November 2025 Presbytery meeting directed us to provide two budgets: one based on our usual, unsustainable practice of depleting the Church Development Fund, and a balanced budget reflecting whatever per capita amount was needed, up to $60, to balance the budget.