

2026 Diocesan Budget to Support Mission and Ministry

This is the third year that the Diocese has presented its annual budget in a narrative budget format. New for this year is additional information on our Episcopal Conference Center (ECC) and Episcopal Charities, each of whom contribute over \$600,000 in outreach and have broad impacts throughout the State of Rhode Island.

Our budget approval process follows a regular consensus-building cycle during which an increasingly large circle of people are invited to review, comment, and ultimately confirm and approve our sources and uses of funds for the next calendar year.

- The Budget Team consists of Diocesan staff members, the Diocesan Treasurer, at least three volunteers from the Commission on Finance, and at least three volunteers from Diocesan Council. They met five times this year to consider new information, review the major pieces of the revenue and expense lines, and develop a draft budget.
- Budget Team meetings focused on major revenue and expense categories: investment income, congregational support apportionment, income from property leased, the costs of ministries and programs, employee salaries and benefits, employee medical insurance, the costs of maintaining property, and property and casualty insurance.
- The draft budget was submitted to the Commission on Finance on September 11, which recommended it to Diocesan Council.
- The people of the diocese were invited to two budget information sessions that offered a public forum for questions and answers. These were held September 16 and 18.
- Diocesan Council accepted the budget with one amendment on September 24 and forwarded it to Diocesan Convention for approval.

Here in the Diocese of Rhode Island, we are blessed with resources from both diocesan funds and congregational support that make it possible for us to invest in:

- Life-saving, life-changing diocesan ministries, including a vibrant camp and conference center; college and young adult ministry; ministries to underserved communities such as Hispanic ministries and Church Beyond the Walls; responses to climate change; and ministry to unhoused people.
- A staff that supports congregations with leadership development and coaching for lay leaders, deacons and priests; transition ministry; and sustainable and modern business models.
- Grants from Episcopal Charities and Diocesan grants and loan programs that support the outreach partners of our churches, help congregations explore new ministries and protect and improve buildings.
- The Cathedral block, at the foot of College Hill in Providence. which is also home to community partners addressing some of our state's most pressing issues.
- The churchwide and global ministries of the wider Episcopal Church and Anglican Communion.

As our congregations contend with the effects of climate change, inequality, new patterns of worship and Rhode Island’s shifting demographic patterns, the Diocese of Rhode Island is committed to supporting mission and ministry that responds to the needs of God’s people.

In the pages that follow, you will find an overview of both our revenue and expenses projected for 2026, presented with streamlined revenue and expense categories so that you can more readily see the ways in which we invest in these missional priorities and how they have changed over the last decade.

Chief Financial Officer Ed Biddle and his team will continue to prepare complete monthly and annual financials by individual account number. A detailed annual budget that includes each account line is available by request via email to [Chief Financial Officer Ed Biddle](#) and it is on the website.

Episcopal Charities

The revenue impact of Episcopal Charities is included in the Gifts and Grants line in the budget that also funds grants and gifts to other diocesan ministries, including ECC and Church Beyond the Walls. For this line item we have budgeted \$516,609 in 2026.

The mission of Episcopal Charities--to help those in need--began in 1952. As part of the outreach arm of the Diocese, Episcopal Charities’ goal is to share the love of Christ with all our Rhode Island neighbors by providing funds to meet needs. Over the past seven decades, Episcopal Charities has raised millions of dollars to support outreach through Diocesan ministries, through our churches, and through nonprofit agencies that partner with our churches.

Episcopal Charities Summary

	Jan.-Dec. 2024 Actual	Annual Budget 2025	Annual Budget 2026
Income Summary			
Regular DIT Distribution	\$184,280	\$190,130	\$197,439
Legacy Gifts	\$2,627	\$80,000	\$165,000
Donations to Annual Fund	\$301,160	\$235,000	\$235,000
Donations to Charities Now	\$37,066	\$40,000	\$63,000
Susan Hudson Fund	<u>\$37,901</u>	<u>\$37,900</u>	<u>\$40,609</u>
Total Income	\$563,034	\$583,030	\$701,048
Expense Summary			
Grants Programs	\$350,777	\$451,900	\$516,609
Staff & Consultants	\$83,391	\$83,580	\$85,049
Operating Expenses	\$20,541	\$31,650	\$31,650
Campaign Expenses	<u>\$17,673</u>	<u>\$13,228</u>	<u>\$13,228</u>
Total Expenses	\$472,383	\$580,358	\$646,536
 Net Total	 <u>\$90,651</u>	 <u>\$2,672</u>	 <u>\$54,512</u>

ECC (Episcopal Conference Center)

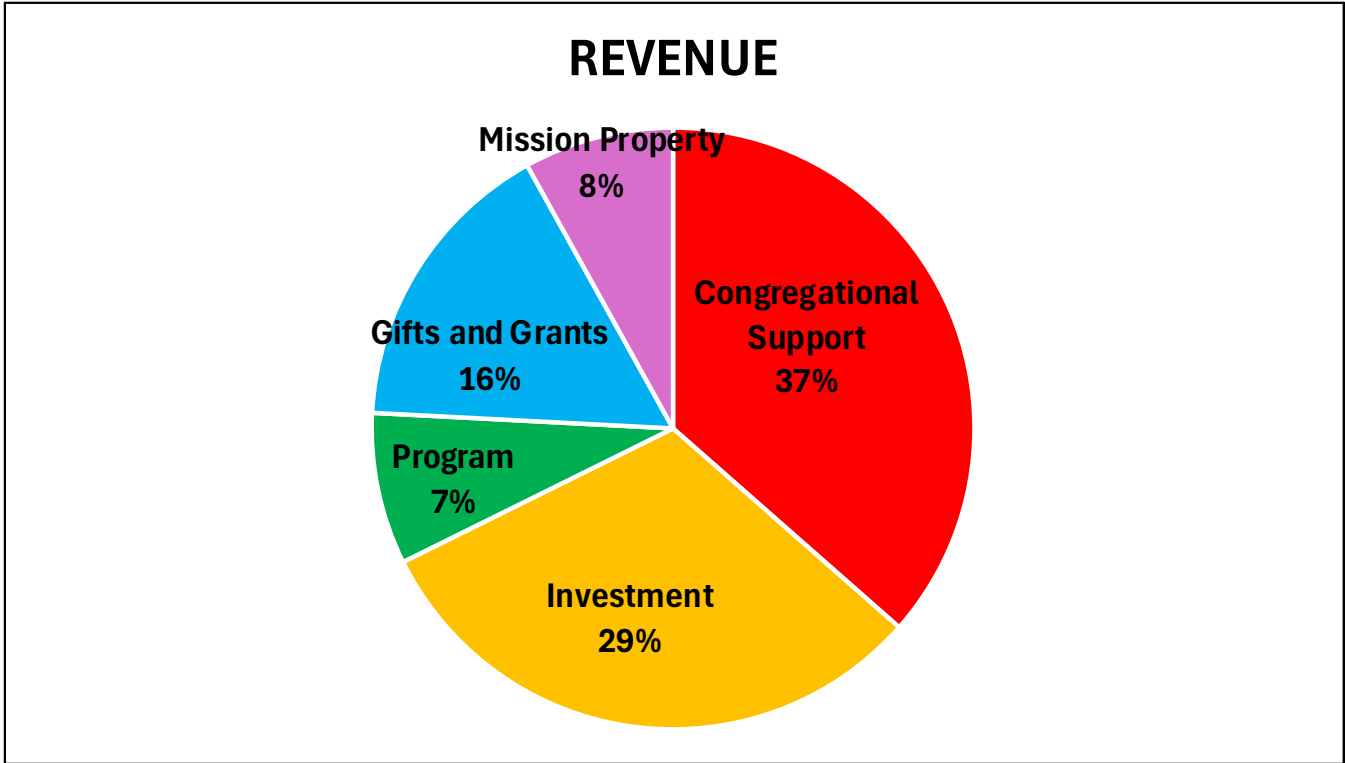
The Episcopal Conference Center (ECC) is the Diocese’s year-round camp and conference center. The 2026 budget reflects an ongoing and thoughtful investment in the people and programs that sustain this ministry. Projected income is \$664,658, with expenses of \$826,679, resulting in a net funding need of \$162,021, which represents the additional commitment of the Diocese to keeping this ministry vibrant and accessible to all. In addition to this support, ECC property and property personnel costs are covered by the Diocese centrally since these resources are available to support other properties of the Diocese.

ECC Summary (includes City Camp)

	Jan.-Dec. 2024 Actual	2025 Budget	2026 Budget
Income			
Annual Appeal	\$112,375	\$90,000	\$90,000
Conference Center	\$94,897	\$145,000	\$135,000
DIT Income	\$51,465	\$52,925	\$58,958
Grants and Special Gifts	\$124,320	\$109,250	\$130,000
Summer Program	<u>\$211,458</u>	<u>\$240,200</u>	<u>\$250,700</u>
Total	\$594,515	\$637,375	\$664,658
	Jan.-Dec. 2024 Actual	2025 Budget	2026 Budget
Expense			
Personnel Total	\$453,212	\$514,339	\$560,852
Program and Insurance	<u>\$274,440</u>	<u>\$255,677</u>	<u>\$265,827</u>
Total	\$727,652	\$770,016	\$826,679
Net	(\$133,137)	(\$132,641)	(\$162,021)

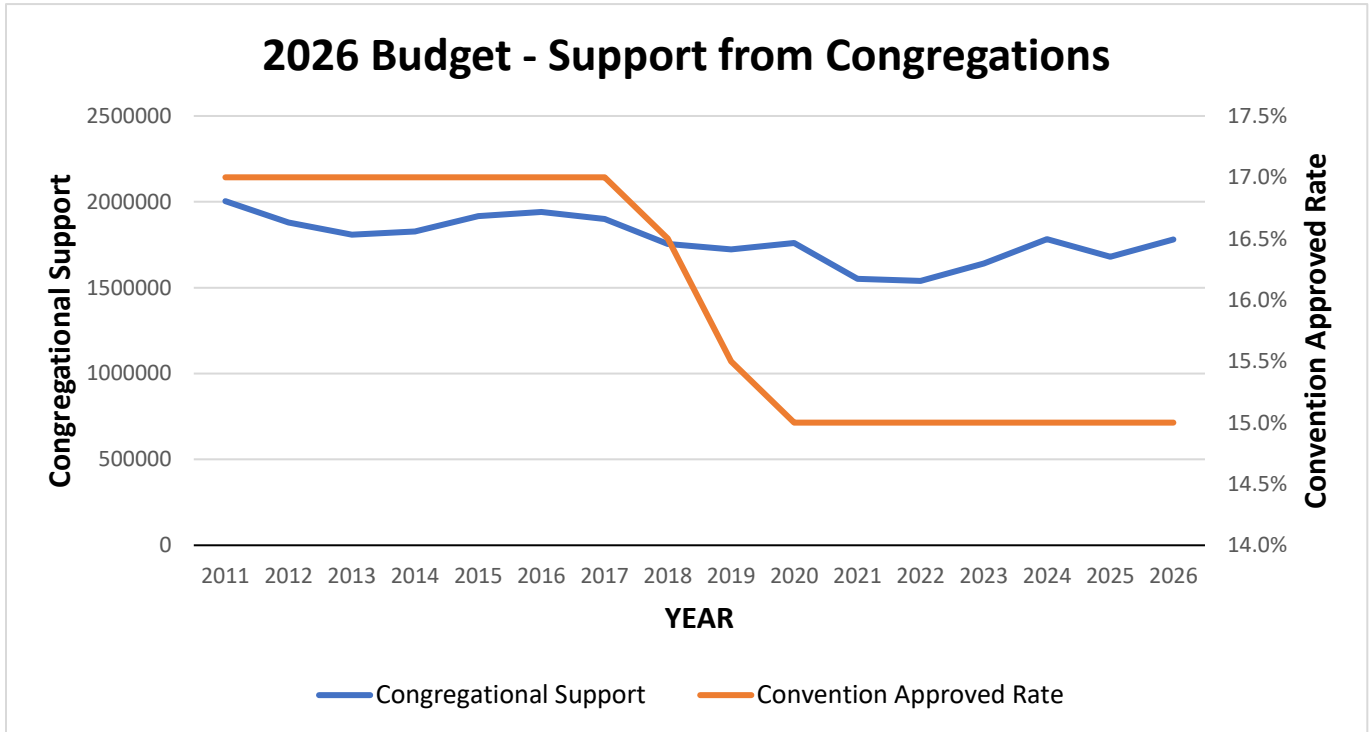
To meet rising costs, ECC has carefully and thoughtfully increased revenues from summer camp fees more than 40 percent over the past decade. Through need-based scholarships, extended payment plans, and a tiered pricing model that allows families to select a rate aligned with their finances, ECC remains steadfast in ensuring that everyone can access a camp experience. A strong sustaining donor program, now with more than 125 monthly donors, along with expanded grant opportunities and community partnerships, reflects ECC’s ongoing commitment to stewardship and financial responsibility.

Diocesan Revenue



The income that supports the Diocese of Rhode Island is generated by five sources: congregational support (apportionment); investment income; program income; gifts and grants; and mission property income (generally rents). Over the last decade, congregational apportionments have gradually declined while investment income has increased.

Congregational Support

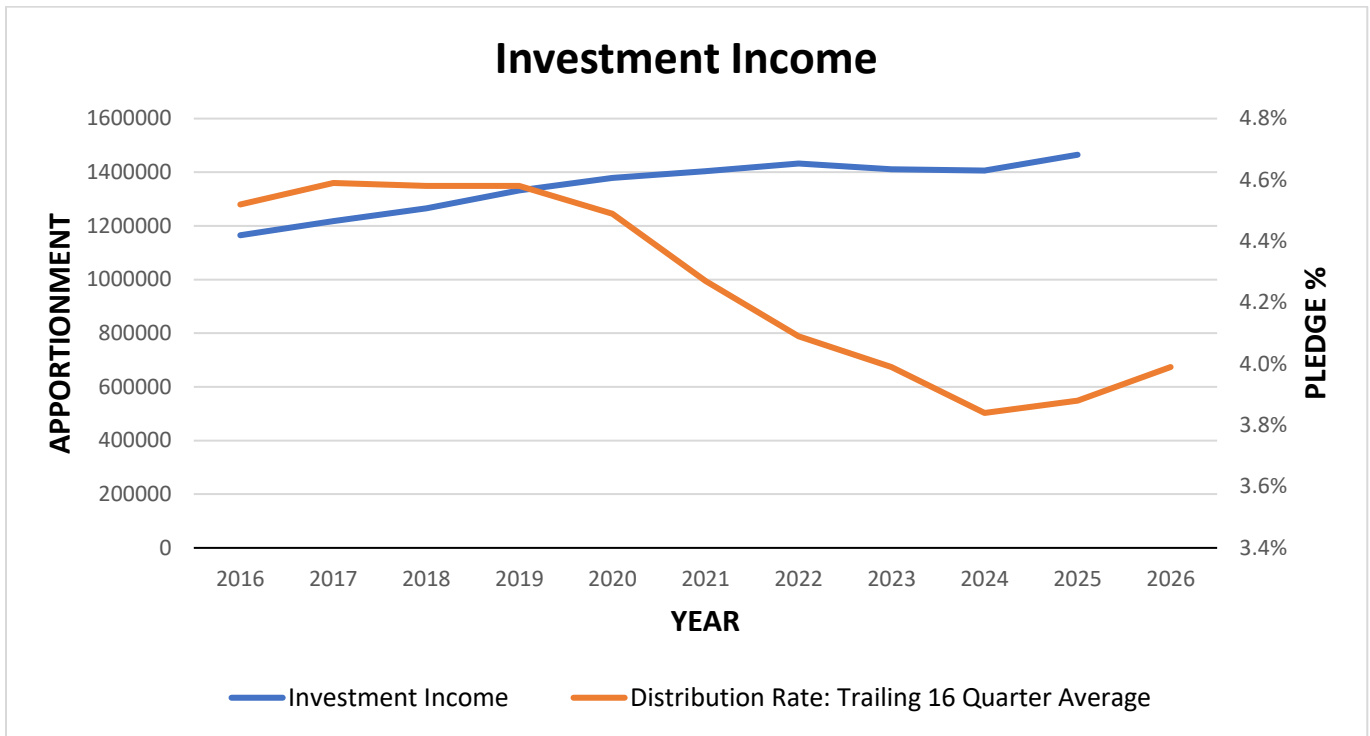


Over the last ten years, diocesan convention has gradually reduced the rate at which congregations contribute to the diocese, from 17% of operating income in 2016 to 15% in 2020. As a result, the revenue contributed by congregations to support the diocese has gradually declined.

From 2014 to 2018, congregations contributed about 47% of the diocese’s operating budget, peaking in 2016 at \$1.94 million. Since then, congregational apportionments account for about 39% of the budget, generally between \$1.5 and \$1.7 million per year. In 2026, we are budgeting for \$1.78 million in congregational apportionment revenue, which will represent about a little over one-third of the budget’s revenue.

2026 will be the second year using our new calculation for Apportionment (called Congregational Support in our narrative budget format). The new formula includes a \$30,000 standard deduction, increased from \$5,000 and sunsets the previously available capital and clergy housing deductions. One of the outcomes of this set of changes is that the cohort of our smallest churches now pays an approximate 9% rate, the largest churches approximately 14% and the mid-sized ones something in between. This is a change from the prior method where the mid-sized churches paid the highest effective rate because the standard deduction had little impact and they were generally not able to use the capital or rector housing deductions.

Investment Income



The diocese’s investments include both endowment funds donated to the diocese for its ongoing support and other funds and savings. Long-term investments are part of the Diocesan Investment Trust (DIT) and are overseen by the Commission on Investments (CoI). The DIT also includes investments of some churches and not-for-profit organizations in the State of Rhode Island.

Quarterly distributions from the DIT are set by the CoI and have averaged between 4% and 5% of a sixteen-quarter rolling average in recent years. Investors with funds in the DIT are not limited to quarterly distributions and can draw from their investments at their own discretion. For 2026, the quarterly distribution will be 67.5 cents per share, a two and a half-cent increase from 2025, but still below the 4.1% of a sixteen- quarter rolling average that was established as a target rate.

The diocese’s investment income has grown every year since 2014, when it represented about 25% of the operating budget’s revenue. In 2026, we are budgeting for investment income to be \$1.52 million, or approximately 29% of the operating budget.

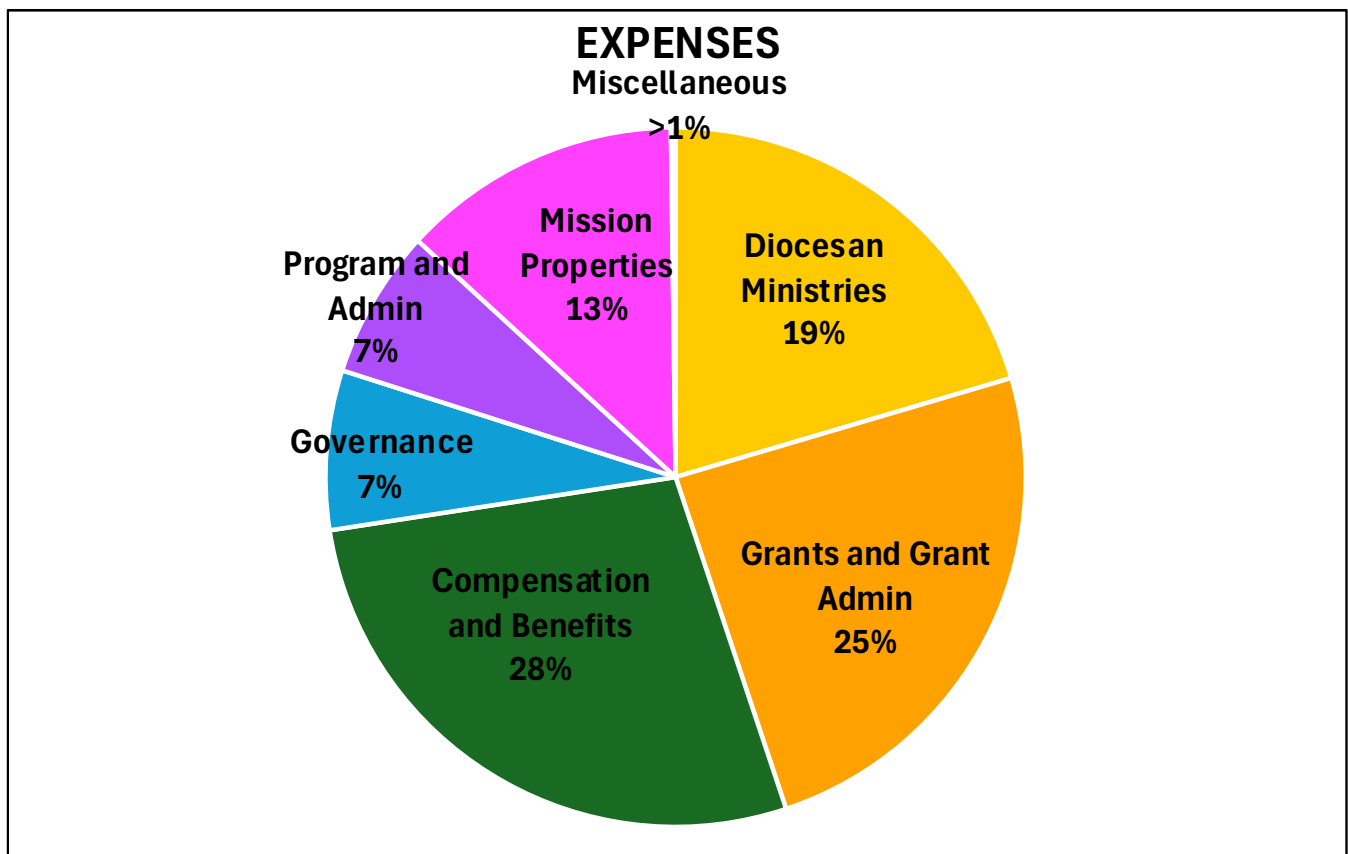
Mission Property Income

This line item of the budget is largely made up of rents that help defray the costs of supporting mission that takes place in property owned by the diocese. These rents include rent collected from residents of the Edwards Homes on Benefit Street in College Hill, Providence. They also include rent from any programs in Hallworth House, which houses the Providence operations of [Beautiful Day](#), a not-for-profit that helps refugees with job training.

Budgeted revenue for 2026 reflects a discontinuance of Hallworth House occupancy by West Bay.

Over the long term, the diocese seeks to ensure that rents for mission property provide sufficient income to help achieve a favorable balance between revenue and expense for Mission Property. To the extent that recent property shortfalls can be reversed, revenue from Mission Property Income could become a greater contributor to diocesan revenue.

Diocesan Expenses



The expenses of the Diocese of Rhode Island include investments in diocesan ministries; grant funding for congregations and community partners; diocesan staff; our participation in the wider Episcopal Church; and mission properties that house ministry partners and other entities.

Diocesan Ministries

Over the past 10 years, about 20% of the diocese's operating expenses have directly supported diocesan-sponsored ministry. In 2026, we will spend approximately \$1.02 million supporting these ministries. As Diocesan Council has urged, the majority of our 2026 diocesan ministries budget focuses on programs for children, youth, college students, and young adults.

In 2026 the diocesan ministries budget includes:

Youth, College, and Young Adult Ministry

Our 2026 investment of \$56,700 in youth and young adult ministry will support campus ministries at the University of Rhode Island (URI), which is closely affiliated with St. Augustine's Church, and Rhode Island College (RIC). Funds to support Happening and our delegation to the triennial Episcopal Youth Event (EYE) are also included in this line item. In addition, a Charities Grant of \$20,000 has been added this year to support this ministry.

Hispanic Ministry

In 2026, we will continue to support the ministry of our diocesan Hispanic missionary, who leads San Jorge (now worshipping at St. Luke's Pawtucket) as well as providing resources for Hispanic ministry to our Evangelical Lutheran Church in America (ELCA) partners and the Episcopal Church's Province 1.

Center for Reconciliation

Since 2015, the diocese has sought a workable operating model for the Center for Reconciliation, which offers programs about Rhode Island's role in the history of the slave trade and the institution of slavery. The Center for Reconciliation was created by diocesan convention in 2014. From 2016 to 2020, it operated as a separate not-for-profit entity and sought outside funding. However, there was little funding available for the initiative in a highly competitive racial reconciliation grantmaking environment, and a new board, established by the diocese, is now seeking other options for continuing this ministry.

Church Beyond the Walls

Church Beyond the Walls is a street church in Providence's Burnside Park that builds solidarity and cares for people who are unhoused. The diocese supports this ministry in partnership with the New England Synod of the ELCA. In 2026, we have budgeted \$41,430 for the work of the Church Beyond the Walls missionary and the program's expenses. Much of the program's budget has been met in previous years by donations and grants.

Creation Care

In 2018, the diocesan convention established a task force to address issues of climate change, environmental justice, pollution, water resources, and stewardship of church-owned properties. This task force has become the ministry we call Creation Care, and in 2026, we have budgeted \$15,000 for its initiatives and programs. The task force holds an annual creation care conference, collaborates with community initiatives on Aquidneck Island and in support of Narragansett Bay, and promotes creation care spirituality and engagement in congregations across the diocese.

Veterans Ministry

This ministry, started in 2025, will continue to develop programs for families of veterans and active-duty service members. The budget includes a continued allocation of \$5,000 to that new program.

Compensation and Benefits

Our personnel support congregations in transition; provide programs and support to help congregations thrive; and oversee the ministries and operations of the diocese. Compensation and Benefits includes employee salaries, associated pension costs, payroll taxes, half social security for lay employees, and half SECA for clergy employees. For Employee Salary and Benefits, the most important topic in the past 12 months has been the adoption by Diocesan Council of the SECA reimbursement provisions in October 2024.

This resolution came from the Committee on Compensation and Benefits. The Budget 2026 figures include these amounts as well as the approximately 8% increase in Blue Cross Blue Shield insurance and 13% for ECC. For regular salary increase budget we picked 3% which is about the midpoint between social security (2.7%), New England Region (3%), Boston (3%), and New York (3.5%). Some of the increase in this budget line is offset by the lower cost in the Diocesan Program and Admin expense line because we replaced a consulting line with a salaried employee line.

Governance

Each year, the diocese contributes 15% of its normal operating expenses to support The Episcopal Church's budget. Until 2022, all dioceses in The Episcopal Church were required to pay a 15% assessment on reported diocesan income for the year before last, less an exemption of \$140,000. Beginning in 2023, the exemption increased to \$200,000.

This area of the budget also includes the assessment we pay to Province 1 of The Episcopal Church; diocesan and General Convention expenses; and in certain years, other governance gatherings in the Episcopal Church and Anglican Communion. In 2026, we anticipate that our total governance expenses will be \$359,433.

Diocesan Program & Administration

Diocesan Program and Administration includes the costs of diocesan office functions like technology, legal and audit, consultants (including communications), conferences, and travel. It also includes formation and training expenses for both diocesan staff and leaders in congregations and diocesan ministries.

Mission Properties

This section of the budget includes the costs to maintain, operate and pay utility costs for all property including Diocesan House, ECC, Edwards Homes, Grant House, Hallworth House, May House and Cottage, and Old Narragansett Church. The costs in this budget area, and in the Mission Property Income budget described above, reflects our expectation that Hallworth House will only be occupied by Beautiful Day in 2026.

Conclusion

With the exception of the use of Hallworth House, the 2026 budget is largely consistent with 2025 in both projected expenses and revenues lines. It also:

- Continues the narrative budget format established for last year that has delivered more transparent funding priorities for the diocese.
- Reinforces initiatives that will support congregational ministry in many of our communities across Rhode Island and ensure that congregations have resources to invest in continuing to thrive.

We hope that this narrative budget format, developed by the Commission on Finance in 2023, will help congregational and diocesan leaders make informed financial decisions, plan for the future, and respond with energy and creativity to God's mission in the world we serve. If you have questions about the diocesan budget or would like more information, please talk with Ed Biddle, Chief Financial Officer, at 401-274-4500 x226 or ed@episcopalri.org.