

**MINUTES
BOARD OF DIRECTORS**

**LCMS International Center and Hilton St. Louis Airport
May 20–21, 2022**

235. Call to Order and Opening Devotions

Chairman Michael Kumm called the board's May meeting to order with all members present (board member Keith Frndak, by internet conference technology). Also in attendance were Chief Administrative Officer (CAO) Frank Simek, Chief Financial Officer (CFO) Nathan Haak, Chief Mission Officer (CMO) Kevin Robson, and General Counsel Matt Buesching of Thompson Coburn. In lieu of opening devotions on Friday, the board attended chapel at the International Center; on Saturday, board member Josemon Hoem offered opening devotions on the basis of John 13:31–35.

236. Adoption of Agenda

The meeting agenda (pp. 8–9/303) was moved and, having been amended to allow for time on Saturday for discussion of an insurance report, adopted.

237. Consent Agenda

The meeting's consent agenda (pp. 10–11/303), containing fewer items than usual because several of the officer and unit reports are included in budget materials to be presented separately, was moved and adopted:

WHEREAS, The Board of Directors has adopted a policy allowing for the use of a consent agenda;
and

WHEREAS, The Board policy reads

3.6.2 Consent Agenda

- 3.6.2.1 The Board makes use of a consent agenda to expedite the conduct of routine business during board meetings in order to allocate meeting time to education and discussion of substantive issues.
- 3.6.2.2 The consent agenda should consist of routine matters that require board action. Typically, these items include approval of minutes, acceptance of officer and other written reports (excluding the quarterly financial/budget report), and acceptance of routine or non-controversial action items.
- 3.6.2.3 The board chair shall be responsible to approve the proposed consent agenda for each meeting upon recommendation of the Chief Administrative Officer. The consent agenda shall be distributed with the meeting docket no less than one week prior to the meeting. The consent agenda will be presented to the board for adoption as soon as practicable after the opening devotion on the first day of the meeting.
- 3.6.2.4 Any item which appears on the consent agenda may be removed from the consent agenda by a member of the Board. Items removed from the Consent Agenda will be considered at another time during the meeting as determined by the Chairman. The remaining items will be voted on by a single motion. The approved motion will be recorded in the minutes, including a listing of all items appearing on the consent agenda.

therefore, be it

Resolved, That the Board of Directors herewith accept this consent agenda which includes the following:

- Officer and related Strategic Reports
 - Office of the President, First Vice-President, and Church Relations
 - Chief Financial Officer
 - Accounting
 - Chief Administrative Officer
 - Human Resources
- Board of Directors Committee Reports
 - Governance Committee
 - Personnel Committee
- Action Items
 - Approval of February 18, 2022, LCMS Board of Directors Minutes

and be it further

Resolved, That the minutes of this meeting reflect the acceptance of the reports and other items as listed above.

Later in the meeting, the board also reviewed and approved minutes of its May 4, 2022, internet conference meeting.

238. President's Report

President Harrison extended briefly upon his written report (pp. 25–26/303), noting that “we are remarkably blessed.” He commented on the budget proposal before the board that “pros and cons” can be argued but that he trusts the board “to act wisely and make the right choice.” He highlighted the following:

- The President is happy that the first installment of the new church planting grant mentioned as pledged at the previous meeting has now been received and is being put to work. Much more is soon to follow on this new initiative.
- The President and staff have kept a “withering schedule” as of late. Two teams of ten visitors each conducted 113 interviews as a part of campus visitations for Concordia University Wisconsin / Ann Arbor and Concordia University Texas. These were “very challenging to pull off” but “worked out very well and is proving extremely helpful.”
- LCMS Mission Advancement started, two months ago and using a “shoestring staff,” to get involved in major gift planning. These initial efforts have already resulted in \$25 million (M) in planned giving commitments and \$2M “cash in hand” for Synod seminaries.
- In response to a question regarding district conventions, Harrison noted those already attended have been “extremely calm.” He noted that there will almost certainly be calls from certain districts to return to the practice of certifying licensed lay deacons for Word and Sacrament service. Restructuring of the Synod’s relationship with colleges and universities (2019 Res. 7-03) will certainly also be a challenging issue—and a moving target, in light of recent developments and visitations. Seminary education and recruitment will continue to be of interest; some have proposed opening up “any route to ordination” (including those outside the Synod) to a “short colloquy,” a move that would “not bode well for our seminaries.” However, the general mood is calm. At one recent district convention, Harrison was asked what “hot issues” would be; he counts it a good sign that none were known to the delegate as having become obviously heated.

239. Chief Mission Officer Report

Chief Mission Officer Kevin Robson reported briefly on activities in the five areas under his supervision:

- **Office of International Mission (OIM)**: Unit executive Daniel McMiller remains sidelined with serious health issues; Christian Boehlke, a commissioned minister, is serving ably as interim unit executive with assistance of Rev. Jim Krikava, who has relocated to St. Louis. Concerning Ukraine, the OIM response is moving “at speed of light,” working with five outside church partners plus a partner “in country” to collaborate in relief and support. Mercy centers in Wittenberg and elsewhere are responding with novel approaches. \$2.5 million (M) has been donated to the cause without a dedicated fundraising effort. OIM continues its use of alliance missionaries, recently nearing the execution of a memorandum of understanding with the *Igreja Evangélica Luterana do Brasil* (IELB) to formalize the deployment of graduates of IELB’s *Seminário Concordia* in Porto Alegre as missionaries under OIM regional supervision. OIM also continues intensive work toward the establishment of a Mandarin language seminary with the China Evangelical Lutheran Church (CELC) in Taiwan.
- **Office of National Mission (ONM)**: Preparations are well underway for Synod’s Youth Gathering (YG), to take place July 9–13 in Houston, Tex. Registration is continuing to run ahead of pace with about 19,000 registered already, excellent results against a background in which ELCA has

cancelled its gathering, having perhaps lost youth group momentum during a prolonged hiatus from in-person gathering in congregational groups. The pandemic-related convention delay having separated YG and convention into different years, the intention is to keep these major events off-cycle going forward, largely for the continuity and effectiveness of tightly scheduled staff, budget and event preparation cycles. Life Ministry has implemented a three-year, \$1M matching grant program over the past several months; applications are now being received and reviewed. In weeks and months ahead, the church planting project mentioned by the President will receive focused effort. In response to a question, Robson noted that the Boards for National and International Mission are reviewing studies of responses to the “Making Disciples for Life” mission emphasis and accompanying priorities (2019 Res. 4-03A); a report to come will evaluate their reception with various levels of enthusiasm across the Synod. This review will shed light on a broader question, noted by President Harrison, of how the triennial emphasis / priority structure laid out in post-2010 bylaws is working in practice, and of whether a more singular approach—such as on church planting—might be preferable to the concept of multiple mission priorities “bubbling up from the grassroots.”

- **Office for Pastoral Education (PED):** The office is moving “full speed ahead” on the “Set Apart to Serve” church work recruitment initiative, engaging districts, seminaries, and universities. A Schwan grant of \$150 thousand has been received toward a “second-career” module of the initiative. The first six of a pilot set of ten “Life Together as Synod” instructional videos have been completed; these aim to educate recent seminary graduates and others on “how things work in Synod.” PED continues to coordinate the Synod’s biennial theological professor conference, open to professors at Synod seminaries and universities, taking place this year at Concordia University Chicago. The Pastoral Formation Committee is working toward the Synod’s 2023 convention, especially to address requests for improvements to the specific ministry pastor (SMP) program and questions on routes to ministry resulting from the 2019 convention.
- **Mission Advancement (MADV) and Communications (COMMS):** These departments, with very lean staffs, continue to deliver with consistency and excellence. The search continues for a COMMS unit executive with Kevin Armbrust and Jennifer Duffy ably co-leading the unit in the interim. Collaborative discussions continue with Concordia Publishing House (CPH) regarding, principally, the *Lutheran Witness* (LW), with opportunities including elimination of duplication of resources as well as leveraging and expansion of the LW brand to better reach and serve audiences. These conversations are aimed to bear fruit in FY23.

240. Personnel Committee Report

Personnel Committee Chairman Larry Harrington reported on his committee’s internet conference meeting of April 19 (pp. 60–62/303). His committee reviewed nominations and prepared recommendations regarding a number of regular and vacancy appointments, these items being shared with the board in its docket. Harrington noted especially the specific requirements for service on the Concordia Plans / Plan Services board and the letter from Concordia Plans board containing its analysis of vacancies and candidates and recommendations. Regarding appointments of Lutheran Church Extension Fund members-at-large and alternates, only the exact number of nominations necessary was received.

Meeting with LCMS Human Resources (HR) Executive Director Nathan Thomas, the committee also discussed and forwarded, with its approval, a proposal from HR for merit increases to officer salaries and a market adjustment for the Chief Financial and Chief Mission Officers. It also reviewed a report from HR on a recent market analysis of other corporate Synod positions.

Finally, the committee heard from Chief Mission Officer Kevin Robson on position requests included in the FY23 budget proposal and discussed preliminarily a succession timeline for Chief Administrative Officer (CAO) Frank Simek, who is expected to retire after the 2023 convention, with a selection timeline of 8–9 months, according to Thomas, likely expected to begin in early 2023. Chairman Kumm noted that

as he will be term-limited as of Aug. 31, 2023, the search committee should be chaired by a continuing member of the board. Kumm suggested that an incoming CAO should overlap with CAO Simek during a transition period, if possible, starting before the 2023 convention.

241. Corporate Synod Compensation Review Report

The board entered executive session.

241X. Executive Session IA: Salary Survey Report

242. KFUD Radio Tower Update

The board continued in executive session.

242X: Executive Session IB: KFUD Radio Tower Update

The board returned from executive session.

243. Financial Report and Giving Trends

Chief Financial Officer (CFO) Haak presented the gift tracking report for the three quarters ending March 31, 2022 (pp. 267–77/303). Unrestricted gifts and grants (non-district) are projected to finish the year at \$3.24 million (M), below \$4.10M in FY21 but ahead of a \$3.13M budget and a three-year average of approx. \$2.7M. Toward the end of the year, unrestricted giving seems to have shifted somewhat to Ukraine but on the year remains ahead of plan.

Unrestricted district gifts are projected to finish the year at \$12.06M, ahead of pledged amounts, \$10.92M budgeted, and \$11.58M received in FY21 (these figures net of Mission Advancement assessments), perhaps reflecting increased congregational giving, this year, to and through the districts. Unrestricted bequests, impossible to predict but a small component of the total, lag all standards, projected to finish the year at \$0.79M. Total unrestricted gifts, excluding PPP loan forgiveness and international distributions, stand at \$20.74M, slightly above budgeted and three-year average values. Haak noted that significant market losses in April have decreased investment gains, but without significantly distorting performance relative to the FY22 budget. A total of approx. \$10M in international distributions in FY22 (roughly matching FY21's \$4.09M in one-time PPP loan forgiveness and its investment and trust income and gain on investments, greater than the current year's by \$4.84M) brings FY22's projected total unrestricted income to \$30.74M.

Turning to restricted gifts, FY22 is projected to finish at \$45.21M total in restricted gifts, above a budget of \$42.33M and three-year average around \$44M. Breaking out the total, restricted mercy giving is projected to finish the year at \$4.83M on a budget expectation of \$5.47M; restricted global missions giving is projected at \$1.61M on a budget and three-year averages bracketing \$1.9M. (The mercy fund was noted as presently having a balance of about \$8.3M, not being spent as rapidly as it has arrived.) Giving toward general National and International Mission funds lags giving to the more restricted mercy fund but is close to historical performance. Haak noted that gifts and grants for network supported missionaries, at \$13.75M expected on the year, significantly lead both FY21 and the FY22 budget, by \$1.28M and \$1.99M, respectively. Other restricted gifts, excluding gifts to Mercy, Disaster, Global Missions, and NSMs, are projected at \$21.41M, above a budget of \$20.73M and a 3-year average around \$16M. Total restricted revenues, though projected to finish \$8.06M below FY21 at \$45.21M, are \$2.88M over the FY22 budget. As of April, giving seems to be up about 20% from the trailing 12 months, correcting for one-time and cyclic factors. Haak noted that his caveat about market reversals in April applies also on the restricted side.

Total revenue, restricted and unrestricted, is projected at \$75.96M, relative to a budgeted \$62.48M—down \$7.57M from FY21 but \$13.48M over the FY22 budget.

LCMS Accounting and Financial Services Executive Director Ross Stroh next presented the financial report for the nine months of FY22 ended March 31, 2022 (pp. 29–44, 278–82/303).

For this period, Stroh reported actual operating revenues of \$45.94M, \$918 thousand (k) below budget. Expenses of \$42.38M are \$4.67M below budget, for a net favorable budget variance (operating surplus) of \$3.75M. An additional \$10.09M in unbudgeted non-operating revenue (consisting of LCMS Holdings international asset distributions or reclassifications) increases the net favorable budget variance to \$13.84M. (Stroh noted that the negative market adjustment of \$3.1M in April will reduce this net favorable variance to about \$10M.)

Considering the various major areas, mission/ministry and ecclesiastical programs are both under budget in both revenue and expenditure, with favorable net variances of \$1.58M and \$398k, respectively. Management/General and Mission Advancement, where revenue is ahead of budget and expenses are lower, are also favorable by a net \$829k and a net \$940k, respectively. Unrestricted revenue is ahead of budget by \$4k. The Offices of International and National Mission and LCMS Communications are successfully controlling expenditures to the level of available funds. The revenue deficit in ecclesiastical programs is principally related to timing and to the Mission Advancement assessment. Unfilled positions and income from the Cape Girardeau property are helping the Management and General bottom line.

Stroh summarized cash positions, with \$11.4M at US Bank, \$12.5M at LCEF (0.5% interest) and \$34.0M at the LCMS Foundation (market value \$39M as of 3/31/22). He noted net assets without donor restriction standing at \$37.22M, increased from \$23.57M in FY21 and \$4.19M in FY18 (\$2.98M in FY10). \$10M of the increase is due to the noted international distribution. Finally, Stroh reported a current ratio of 10.1, a program spending ratio of 78.0%, and 375 days of cash on hand (154 days, excluding assets invested with the LCMS Foundation). Regarding cash management, CFO Haak noted that he is putting into a practice a plan he developed and on which he has received guidance from the Audit Committee.

In discussion, Audit Committee Chairman Frndak noted that distributions or reclassification of assets have equal and opposite effects elsewhere in the consolidated balance sheet and cautioned that FY23 costs to Synod will be higher in Human Resources because Concordia Plan Services and the Lutheran Church Extension Fund are pursuing their own providers.

244. Budget Review for Fiscal Year 2022-23 (FY23)

Chief Financial Officer (CFO) Nathan Haak, assisted by LCMS Accounting and Financial Services Executive Director Ross Stroh, introduced the operating and capital budgets proposed by the Synod Operations Team for the Fiscal Year to run July 1, 2022—June 30, 2023 (Fiscal Year 2022–23 or FY23; pp. 283–94/303).

Summary, Proposed FY23 Revenue Estimate

CFO Haak summarized the “relatively conservative” gift and revenue forecast for FY23 by comparison to a table of actual values (excluding PPP loan forgiveness in FY21 and LCMS Holdings distributions in FY22 and FY23) for FY20 and FY21 and projected year-end data for FY22 (p. 285/303).

The FY23 budget is projected to be supported by \$12.79 million (M) in district receipts (gross), down from \$13.48M projected to be received in FY22 (FY23 pledges are actually increased over FY22, a year in which gifts are significantly beyond levels pledged); \$45.78M in gifts received through Mission Advancement (MADV), an estimate below the \$46.52M projected to be received by year-end FY22, but 8.9% above the three-year average; sales and services of \$2.65M, down from \$2.85M in FY22, largely due to Concordia Plan Services and the Lutheran Church Extension Fund building out their own human resources functions; \$2.40M in investment income, an increase from \$1.98M in FY22; and \$775 thousand (k) in other income, down from \$1.13M projected in FY22. Overall, gifts and revenues are projected conservatively, 2.4% below

the FY22 expectation and 5.4% below the 3-year average. The MADV assessment is planned to increase to 12.5% in FY23, returning to a value more typical of FY20 and FY21, from 10.5% in FY22.

Stroh noted that districts are both giving ahead of this year's pledge and pledging more than they pledged this year. He briefly reviewed details of other aspects of the estimates involved. No international distributions are included in the budget support projection figures.

Stroh further reviewed historical trends, from FY19 on, in unrestricted receipts, net of the MADV assessment. FY23's total unrestricted revenue projected to be available to the budget, net of the MADV assessment and excluding LCMS Holdings distributions, amounts to \$21.5M, up from \$20.7M in FY21 but down from an atypical high of \$26.3M in FY21, with its exceptional gains on investments and investment/trust income.

Turning to the restricted side, excluding the Youth Gathering, Stroh noted accumulation of significant restricted gifts in FY21 and FY22 (\$5.73M in FY22 alone) that remain unspent; proposed is to spend \$6.96M of these funds on hand, under their purpose restrictions, in FY23. Network-supported missionary (NSM) income is budgeted conservatively down from FY22, with the missionaries already running 375 days ahead of need. Disaster giving has been higher than typical in FY22 due to the conflict in Ukraine. The total FY23 restricted-side support budget, excluding this amount of cash-on-hand spending as well as the \$8.75M related to the Youth Gathering, is projected at \$42.95M, conservatively estimated at 5% less than the amount received in FY22.

Combining all sources of budgetary support for FY23 (p. 290/303), in comparison to FY22 projected receipts, Stroh noted a 3.4% increase anticipated in unrestricted income and a 5.0% decrease in restricted receipts, for a net decrease of 2.4% in expected total FY23 support. Factoring in gifts on hand (\$5.73M accumulated in FY22 vs. \$6.96M released in FY23) and \$8.75M in Youth Gathering revenue means a \$19.88M or 33% increase in total projected budget-supporting revenue for FY23, relative to FY22.

Summary, Proposed FY23 Operating Budget Expense Request

Stroh next presented the FY23 expense budget, as supported by unrestricted and restricted funds (p. 291/303; note that the "restricted" column includes both restricted revenues, such as donor-designated gifts, and fees for materials or services in a particular category, the purpose of the distinction here being to indicate the expected demand of each category for unrestricted funds):

<i>Category</i>	FY23 Expense, supported by: Unit	Restricted funds (k)	Unrestricted funds (k)	Total (k)	FY22B Total (k)
<i>Mission & Ministry Programs</i>		\$42,239	\$7,900	\$50,138	\$42,370
	Office of International Mission, Office of National Mission, Pastoral Education, University Education, Communications, KFUD Radio				
<i>Youth Gathering</i>		8,754	—	8,754	—
<i>Ecclesiastical Programs</i>		372	7,296	7,668	6,907
	Commissions on Constitutional Matters, Handbook, and Theology / Church Relations; Dispute Resolution; convention task forces; Legal; Rosters, Statistics, and Research Services; Church Relations; Office of the President; Office of the Secretary; Boards for National and International Mission; Council of Presidents; Chief Mission Officer; Concordia Historical Institute; contingency				

<i>Category</i>	FY23 Expense, supported by: Unit	Restricted funds (k)	Unrestricted funds (k)	Total (k)	FY22B Total (k)
<i>Management & General</i>		23	7,578	7,601	7,527
	Board of Directors; Chief Administrative and Financial Officers; Insurance, External Audit, Internal Audit, Accounting, Legal, Information Technology / Operations Support Services, Human Resources, interest				
<i>Mission Advancement</i>		7,273	—	7,273	5,923
Total		\$58,661	\$22,774	\$81,434	\$62,724

CFO Haak, noting that the budget includes requests for increased personnel, also reviewed the total FTE headcount (p. 292/303) in 16 units of corporate Synod (excluding missionaries), noting 210 positions in the FY23 budget, relative to 190 expected (not all presently filled) in FY22, with increases of 1 in the Office of the President, 4 in Communications, 9 in Mission Advancement, 6 in the Office of International Mission, 5 in the Office of National Mission, and 2 in Pastoral Education—a total of 27 increases. Haak explained that 7 of these positions, not yet identified definitively, are not to be filled during FY23 due to limited capacity to identify and integrate new employees and the limited candidates available for some specific positions, among other reasons; thus, the stated headcount increase of 20. (The above totals reflect the seven positions going unfilled throughout the budget period, as filling them would require the Operations Team to obtain subsequent board approval.) Chief Mission Officer (CMO) Robson noted that all the new positions reflect strategic and operating plans and are needed to fulfill them. They will be actively recruited, although adding 20 persons in a year would be a “monumental task.” He explained that many of the positions would be supported by release of restricted funds in hand from previous fiscal years. Even with all twenty positions filled, the total FY23 FTE headcount would remain down 10 from FY2018 and down 22 from FY2017.

Proposed FY23 Operating Budget “Bottom Line”

CFO Haak, noting that he had discussed the proposed budget and related estimates in more detail with the Audit Committee the night before, concluded the FY2022–23 operating budget review introduction with the budget balance summary (p. 293/303), showing a total expense budget of \$81.43M, to which is applied resources as indicated above (Haak noted that the board-designated fund request for CUS relates to payment of interest on the CUS LCEF letter agreement debt and that these funds are from money designated for assistance of CUS schools):

Total gifts	\$61,742	(thousands)
Materials and services revenue	2,654	
Release of gifts on hand	6,961	
Youth Gathering revenue	8,754	
Release of board-designated funds	1,924	
<i>From CUS Risk Endowment Fund</i>		
Concordia University System	434	
<i>From KFUE-FM Sale Proceeds/Innovative Communications Fund</i>		
Communications	724	
Set Apart to Serve	359	
Making Disciples for Life	106	
KFUE Radio	186	
Other	115	
Total Revenues including Net Asset Releases	82,035	
Total Expenses	(81,434)	
Proposed Surplus / (Deficit)	\$601	

245. Fiscal Year 2022-23 (FY23) Strategic Plan Review

As requested by the board and guided by a template proposed by the Operations Team and approved by the board's Governance Committee (item 79, minutes of May 15, 2020), officers and executive directors of the various major program and administrative units of corporate Synod shared with the board highlights of their strategic plans. Much more detailed, written strategic plans were included in the board's docket (pp. 63–138/303); each unit received 10–15 minutes of oral presentation and discussion with the board. Chairman Kumm reviewed the scope and intention of this process with the board, which is for the board to gain insight in its specific role in reviewing and approving the budget as presented.

(A) Office of the President / Office of the First Vice-President / Church Relations (OTP) (pp. 63–67/303)

President Harrison noted that the proposed budget's request for 27 added positions, with a hold at 20 for further authorizations, first seemed like a lot, but that "brakes can be put on if funds don't seem to be there." The Office of International Mission (OIM) and Mission Advancement (MADV) are "not sustainable" at current levels of staffing, the latter, with some staff approaching career end. The Synod is working from a unique position of strength in the proposed budget, not using distributions in hand, with strong prospects for future gifts. Harrison suggested that the "number one priority" for maximizing the distributions received is development of, and partial covering of development costs of, a potential future, focused mission advancement initiative, capitalizing on Synod's "stellar reputation among donors."

Harrison stressed that the decision whether to add FTEs belongs to the board and his "great confidence" in the board to come to a reasonable decision. He noted a number of items of particular recent focus:

- The Rev. Michael Frese has been called as Deputy Director of Church Relations, to assist the Rev. Dr. Jonathan Shaw, who came on board recently after a two-year vacancy and is "going great guns with too much to do" with 100 partners around the world.
- Opportunities for world Lutheranism; Harrison highlighted the recent visit to St. Louis of representatives of the 4.5-million member Malagasy Lutheran Church.
- Onboarding of new district presidents, to culminate in a September orientation, with seven district visitations still underway.
- Pre-convention planning efforts, the specialty of Assistant to the President Barb Below, are in full swing.
- Continued administration of and policy development for colloquy programs, with which First Vice-President Lange has his hands "absolutely full."
- Visitations of Concordia University campuses in Mequon, Ann Arbor, and Austin, along with discussions revolving around the 2019 Res. 7-03 proposal have "taken an enormous amount of time."

(B) Chief Mission Officer (CMO) (pp. 68–71/303)

Introducing several presentations to follow, Chief Mission Officer Robson explained that the mission offices and allied areas are striving to fulfill convention mandates, established duties, and assignments of the President, all under the direction of the Boards for National and International Mission and the Synod's seven mission priorities. He reviewed the seven priorities, noting that the seventh was added to the original six (2013 Res. 3-06A) in 2016 (Res. 16-02A). Together, the five operating units under the CMO's supervision, plus his own office and the mission boards, account for \$55.7M or 77% of the total operating budget, excluding convention and the Youth Gathering (the latter, involving \$8.8M covered by its own revenues).

Robson stressed a theme of "continuity" from FY22. His office, the boards, and the units are continuing to execute on robust, established strategic plans, on which offices are continuing to deliver, all working under the theme of "Making Disciples for Life." Approaching the end of FY22, the units are delivering on the existing budget with the expectation of generating a surplus on restricted revenue/expense. They are looking

“optimistically forward” to forge new partnerships and relationships while executing the existing plan with excellent stewardship. Looking to FY23, the proposed budget expands and grows mission and ministry within reasonable revenue targets to a wider range of constituents and donors. Mission Advancement (MADV) is expanding the pool of donors, leading from initial gifts toward transformative planned gifts.

Robson highlighted a “desperate need for the Gospel domestically and internationally”—for “only Jesus.” “The time is now” to make the fullest use of the abundant blessings God has showered down on the church—all with an eye to how, within a 3–4-year planning horizon, we are laying a stable, sustainable foundation for the future.

Regarding his own office (CMO) and the budget for the Boards for National (BNM) and International (BIM) Mission, Robson noted a total planned unrestricted expenditure of \$589k, up \$80k from FY22, principally driven by an increase to three annual in-person meetings of the boards (the fourth meeting remaining virtual), as well as increased funding for international travel related to the Synod’s international schools. Beginning June 1, the CMO’s administrative assistant will begin, as a director, to manage certain administrative assistants and coordinators, starting with the Offices of National and International Mission and expanding to parts of all five units, in a pool “ministry support team.” Aims include more effective cross-training and backup, making best use of communications technology, and smoothing the cyclical, intense nature of individual program units, to take work in and deliver it on time.

An \$80k line is retained for a planned MADV assessment, targeted to be completed by the end of FY23. Earlier in the year, MADV plans to focus on staff succession, expansion of the present donor base with increased donor-engaged staff, and the launch of research on a possible future, focused mission advancement initiative.

CFO Haak noted in response to a question that, on the total operating budget, he expects a \$400–500k increase (10–15%) on a \$3–4M travel budget, purely due to inflation, with additional increases due to resumption of in-person meetings.

(C) Board for National Mission (BNM) (pp. 68–71/303)

In a first since the 2010 restructuring, the chairman of the Board for National Mission, the Rev. Steven Briel, addressed the board. Term-limited at the 2023 convention, having served on BNM since its creation and prior to that time on the Boards for Higher Education and for Pastoral Education, he reminisced that it took some time for BNM members to “get our heads around the new structure,” but that they’ve “got it.” Briel, noting that the convention assigns duties but that without resources nothing could be done, stressed appreciation for the Board of Directors’ support of his mission board and for his being included in the budget meeting, noting that the Board of Directors chairman is always welcome at mission board meetings.

Briel highlighted the roles and responsibilities of his board, including policy development for Synod ministries in support of congregations and schools, principally carried out through the districts; assisting in goal setting for, and oversight of policy implementation by, ONM; and issuance of calls for national chaplains. In regard to regulation of ministries serving congregations and schools through the districts, he noted recent conversations with all the districts regarding the utilization and perceived usefulness of programs and materials offered, both of which vary; insight from these conversations will inform the board and convention and guide future work. He noted the “closest collaboration” with the ONM, CMO, and OTP, “all very helpful,” and, with a Venn diagram, spoke of the interrelation of the BOD’s resource allocation role with BNM’s responsibility for focusing mission, and ONM’s implementation, noting that “these circles can’t be allowed to drift apart.”

Briel shared several “notables,” including his chairing of a new mental health task force, a move to adequately staff the Office of National Mission in various areas, and the importance of planned work in the School and Life Ministry areas. “The challenges are greater than ever,” he concluded, but “what a wonderful challenge this is” for the Church to rise up and be the Church, to preach the Gospel, to say that God is still

in control, to take comfort in the great promise of Jesus that the gates of hell will never prevail. “Jesus has risen, is alive, ascended. The Lord is Risen! ... Alleluia!”

(D) Office of National Mission (ONM) (pp. 72–75/303)

The Rev. Robert Zagore, executive director of the Office of National Mission, presented for his unit, which comprises a total \$10M budget, excluding the Youth Gathering, which is funded by its own revenues. In FY23, \$9.5M of the total \$10M cost is funded by restricted revenues, with the FY23 draw on unrestricted funds projected to be even lower than in FY22. Zagore’s presentation spoke of ONM’s attempting to fulfill the mandates of 23 convention resolutions (this cycle), BNM ends policies, the Synod mission emphasis and related priorities, and Synod leadership requests for “opportunistic” engagements, including a \$2M church planting grant opportunity fostered by the Office of the President and Mission Advancement—now a budgeted activity for FY23.

Zagore described a number of changes and growing initiatives in his unit, noting “much help from Schwan grants”: additional staff positions (though still fewer than four years prior); a child protection / anti-human trafficking program presently under legal review but intending, eventually, to engage “the whole Synod”; the noted church planting initiative; ethic ministry church planting and development of “welcoming congregations”; a Specialized Pastoral Ministry initiative to sustain chaplains in environments where “diversity, equity, and inclusion” statements are threatening doctrine and practice commitments of called workers; a “Life Together” initiative, seeking economy of scale in responding to needs, especially in serving diverse and minority groups; an LGBTQ+ task force, chaired by Fifth Vice-President Esget, just getting under way (charged, in line with 2019 Res. 11-03A, to identify resources, talking points for evangelism, resources to be created, and advice for the next convention); the mental health task force, chaired by Rev. Briel; and a worker priest / bi-vocational pastor resource initiative, grant-funded and in collaboration with Pastoral Education and the “Set Apart to Serve” initiative.

Zagore also offered a few highlights from ongoing initiatives, including the greatly expanding capacity of Making Disciples for Life (MDFL) conferences; a major revision of the recognized service organization (RSO) program; the \$1M life match grant program, aimed to help congregational efforts and partnerships aimed at pregnancy, infant, maternal, and family support; 15 commissioned minister and 15 pastoral respite retreats scheduled, in cooperation with Doxology, for this year; development of post-disaster adult aftercare resources for congregational use, growing out of a recent Michigan school shooting; senior adult ministry resource development; and earnest work to fulfill the 23 convention resolutions placing demands on ONM this triennium.

Noting an FY23 net unrestricted budget reduced \$41k relative to FY22, but making increased use of restricted revenue and release of restricted gifts “in-hand” from previous fiscal years, as well as a desire to be “good stewards, nimble and true to mission, as responsibly as possible,” Zagore noted five priority positions he hopes to fill in FY23: a director of the Life Together Initiative to pull all ethnic work together and to teach the church how to argue over a point in public; a director of Middle Eastern and Islamic Outreach (shared with OIM); a manager for Analytics and Statistics (already a contractor) to coordinate with Research Services and provide direct data guidance to ministry programs; a manager for Worship Music and Lutheran Musician Enrichment, and a manager for the Child Protection Initiative and Recognized Service Organizations. In response to a question, Zagore noted that one could probably “triple the size of every operating piece,” but people and funds aren’t available; the additions proposed are responsible and necessary.

Discussion focused on the Schools Ministry area, on the impact of the pandemic and cultural changes on our Lutheran Schools—most of which, Zagore noted—are “in as good or better shape than before,” although on aggregate the number of schools continues to dwindle. Zagore noted an upcoming MDFL conference on addressing critical race theory responsibly, as well as work done in the witness and outreach unit on the topic. His hope is to add a manager back into the School Ministry group, which also manages National Lutheran School Accreditation, a program recently and significantly revised. He noted also the

“Genesis Project,” a “how-to” for school founders, with a couple new schools underway already. “The challenge is,” he noted, “helping congregations understand that if folks are willing to bring their kids for you to teach them about Jesus, and to pay you to do it, this is a win.”

(E) Board for International Mission (BIM) (pp. 68–71/303)

Mr. John Edson, interim chairman of the Board for International Mission, noted his service on the board since its inception, first as the President’s representative and then to fill a vacancy in the Great Plains lay seat. BIM roles and responsibilities include: policy development in support of mission work in foreign mission areas of the Synod; assisting in goal setting for OIM, in close collaboration with CMO and OTP; and a new responsibility, since 2019, to assess and evaluate Synod’s mission emphasis and priorities and to offer guidance to the convention as to their adjustment (a task shared with BNM, Bylaws 3.8.2.2 and 3.8.3.2). In connection with this last item, BNM and BIM have worked jointly to interview district presidents and those suggested by them as to how the districts are engaging with the mission priorities and how Synod programs mesh with district utilization and other activities. BIM has set aside significant time to review the results and develop a report to the Synod. With regard to the board’s policy governance responsibilities, Edson noted that policies have been “greatly refined” after much discussion, with the focus now shifting to setting goals for OIM in connection with strategic plans and to monitoring of the strategic plan and its delivery on the Synod’s seven mission priorities.

Within a strategic plan having three core areas, namely, spreading the Gospel, planting churches, and showing mercy, some notables include: a leadership transition in OIM being carefully contemplated and executed and a focus on missionary care, in which there is a critical need to rebuild support staff in St. Louis and the regions to take care of the 103 missionaries in-field and their families (this includes an associate executive director for regional operations, more internal support for global safety and security, and more resources for recruitment for worldwide succession and mission expansion).

He spoke appreciatively of BOD’s financial support and for “keeping us on track with mission” and expressed a desire that at least an annual interaction be maintained between his board and BOD.

(F) Office of International Mission (OIM) (pp. 76–79/303)

Mr. Christian Boehlke, a commissioned minister and acting executive director of the Office of International Mission with 8.5 years of experience in the office, presented his unit’s FY23 budget proposal, comprising \$30.4M in expenditures, supported by \$30.1M in restricted gifts. Boehlke explained that “the department has gained the trust of Synod donors and this has allowed budgeting from a position of strength.” The current missionary population is “fully funded” for the coming fiscal year, allowing OIM to continue to look forward with confidence to sustaining mission in future years. Boehlke noted that significant investments in advancing accounting practices, including integration of field accounting into the unified Banner system, have provided better data and decision-making support for LCMS Accounting, Mission Advancement, and OIM, and “changed the mindset” in assessing immediate and long-term investments in ministry. He addressed three major areas in relation to the FY23 budget:

- **Ministry:** OIM has ongoing work in 70 countries, spreading the Gospel, planting churches, and showing mercy. The primary emphasis is theological formation and pastoral education in each of four seminaries in each region of the world. The global coronavirus pandemic and reduced capacity have limited expansion. A substantial mercy budget increase in FY23 will allow OIM to support global partners at a time of “greatest need.” Strategic plans for each region include new partnerships and increased investments in pastoral formation. In Brazil, partner *Igreja Evangélica Luterana do Brasil* (IELB) calls pastors as “alliance missionaries” to be placed by OIM in cooperative mission sites around the world; *Iglesia Luterana de Venezuela* (ILV) is another such partner, with OIM in discussions to develop more. These alliance missionaries receive international mission experience to bring home to their church bodies while allowing OIM to fill critical needs in the mission field.

The ongoing conflict in Ukraine has created new opportunities to show mercy but also to meet the spiritual needs of those impacted. Gifts designated to Ukraine position OIM to respond to needs, in coordination with our German partner church, the *Selbständige Evangelisch-Lutherische Kirche* (SELK) and friends in Romania, for care of refugees and church planting, to be ongoing for in as-yet indeterminate period.

- Continuity of Operations: OIM is attending to continuity of operations as a workforce mostly having the benefit of overseas experience matures. The FY23 budget includes succession planning at every level, as well as continuing mentoring and leadership development of staff at home and abroad. Noting an area in which continuity is important, Boehlke noted that staff has had to tend increasingly, in good collaboration with CMO and CAO/CFO, to compliance challenges with banking and finance related to terrorism and human trafficking regulations.
- Recruitment and Care of Missionary Households: Boehlke explained that recruitment and care go hand in hand; retention leads to recruitment and is worthy of long-term investment. The stress of life abroad is inherently significantly higher than doing the same work domestically, and 129 children are living abroad with missionary parents. The team looks especially for the capacity to support children with staff and resources. Boehlke presented a five-year analysis of recruitment needs based on a strategic desire to have 186 missionaries afield at the end of the period. With 103 missionaries presently deployed and 58 expected to leave the field, 33 of these by retirement, during the five-year period, this means a recruitment goal of 140 missionaries, an “aggressive but confident” pace. Alliance partnerships are helping to bridge the gap, with 20 already deployed; this means a total of 123 missionaries presently working toward OIM strategic ends. Boehlke noted the doubling of missionaries called for by the 2013 convention was accomplished by a team of four recruiters; now three will work with the aid of lessons learned and team support. An increase in missionaries afield will require additional infrastructure.

Boehlke noted three key human resources aspects of the FY23 proposal:

- The appointment of a new executive director is awaited, with load shared among existing staff, in St. Louis and in the regions, after the earlier-than-expected departure of Rev. Dan McMiller; the transition is being managed well, though it has put staff on a reactive footing.
- The budget plan strategically prioritizes missionary care and recruitment, which are critical for retaining missionaries and avoiding other challenges, while increasing attention to compliance. A former associate executive director position is being restored to coordinate regional operations (the unit executive’s overloaded state being noted in questions and comments), a manager for recruitment, a manager for global safety and security, a coordinator for missionary children, and a business manager for Asia. The plan will increase productivity and support a larger missionary population.
- Succession planning on an international scale, with constant movement, requires key investment in finding the right people, calling and placing them, and continuing to invest in them as roles expand.

Turning briefly to capital investments, Boehlke noted projects are being prepared for presentation to the board under a “disciplined approach” and review by the CFO. These include capital investments to work with refugees in Romania, to house students in the Dominican Republic, to purchase a facility in Peru, and to receive a property donation in Belize.

Along with expressing pride at the work being done by the Synod internationally, board members asked about the number of ordained (over half) and commissioned ministers among the 103 missionaries, and about the realism of the plan to recruit 140 new missionaries in the next five years, Boehlke and CMO Robson stressing that investment today is necessary to achieve this “stretch goal.” The success of the network support model (NSM) was noted, as well as a concern about an aging donor base, but also the over 2000 congregations that, as such, have developed personal connections with missionaries and line-item

commitments—a sign of a good future ahead. Finally, board members wanted to explore upcoming mercy work plans, which were said to include various projects with partners in Africa, where capacity has been severely limited by the coronavirus pandemic, addressing community health, post-disaster building renovation, and a host of other projects, as well as coronavirus response in Asia and Latin America.

(G) Concordia University System (CUS) (pp. 80–82/303)

The Rev. Dr. Dean Wenthe, President of the Concordia University System, presented the FY23 subsidy request, noting that CUS is grateful for the church’s support and that its capacity for supervising the church’s universities depends on resources. Wenthe reiterated that “the Church needs her universities” and “the universities need the Church.” He spoke of the “immense cultural pressure” our institutions are facing from “diversity, equity, and inclusion” and “critical race theory” movements “to modify teaching of sacred scriptures.” He spoke appreciatively of the President’s recent, “most helpful” visitations of Concordia Universities in Wisconsin and Texas. The schools need “the rich theology that will invite young people into the *viva vox Jesu*.” “A faithful university—and we have faithful presidents and professors—is able to carry the voice of Jesus winsomely to students with great credibility.” Despite challenges, Wenthe asserted, we can embrace the hope that “Jesus Christ is the light of the world, the light no darkness can overcome.” Among the challenges, Wenthe noted that all the schools, while finishing in the black and planning balanced budgets, are facing reductions in revenue-generating graduate enrollment for the coming year.

The chairman of the CUS Board of Directors, Gerhard Munding, in international travel, was unable to join successfully. Directed to budget matters, Wenthe noted a bare-bones CUS budget with support only for the executive director, the director, necessary meetings and travel, and debt service. CUS hopes to “continue serving as fully as possible until the church makes its decision about the future of CUS next summer.”

(H) Mission Advancement (MADV) (pp. 83–86/303)

Mr. Mark Hofman, executive director of LCMS Mission Advancement, introduced the work of MADV, including Mission Central in Mapleton, Iowa, as assisting those who give back to support the mission and work of the Synod. MADV is now striving to connect with people who may be open to giving for the first time, as best as can, in harmony with God’s Word.

Responding to prior queries and conversations with board and executive leadership, Hofman, noting that until the effort to fund the Wittenberg Project, the Synod had “never run a completely successful campaign,” offered that MADV is “not opposed” to organizing and administering a new, focused mission advancement initiative but certainly has no desire to run one that is untested or unsuccessful. While this FY23 budget proposal does not start or “green light” such an initiative, it does “lay the groundwork to research and prepare for” bringing such an initiative “to a joyous conclusion.” (A board member, remembering *Forward in Remembrance*, noted the importance of engaging laity, finding a way to “get the church engaged.”)

Hofman noted that the FY23 budget for MADV, at \$7.27M, is higher than in FY22 but still lower than FY20. He plans to fill one vacancy and to add nine “outward-facing” positions, while remaining still below pre-reduction-in-force levels. Increased staff is necessary to seize surfacing opportunities and to manage risk. The budget includes initial studies that could lead to a special, focused fundraising initiative. It also considers inflationary effects on travel, paper, postage, etc.; Future planning of all aspects is being emphasized for careful stewardship, including investment in offsetting technologies and in retention and skills-development to manage risk of income loss due to turnover.

Hofman explained MADV’s dependence on “gifts *from people*.” He aims to reach untapped potential and to retain engaged, joyful, and curious contributors. Helping them to plan giving doesn’t happen without LCMS helping to bear costs. Organizations outside of corporate Synod are noticing progress and asking questions, perhaps opening doors to collaboration with new partners, excited to walk a common road.

Hofman further explained that the MADV unit strategic plan takes “confident steps” toward planning future focused special initiatives. These can infuse momentum into strategic organizational moves, such as in the \$2M church planting gift now being put to use. Where can we find hope? God drives giving, not us. The LCMS must remain faithful. Our hope is in Jesus, only Jesus, not in net asset balance or even public reputation. What comes, God means for good—as with Joseph. God planned that. We have great people, promising initiatives to pursue, contingency plans, etc., but we “must remain and be Lutheran” in engaging people in mission, inviting them into the Great Commission. Where will we find hope? Only Jesus. It is why we preach Christ crucified.

MADV has 10 FTE open and requests 9 new positions, not likely all to be filled in one FY. Several mission advocates are nearing retirement or moving to planned giving, which is already bearing fruit. Realistically, MADV is looking at filling vacancies plus 1–9 new positions, if hires can be found.

Questioned as to the plan to add staff before the completion of the planned MADV assessment, Hofman explained his department’s approach of “end-to-end care” and that data on midrange giving suggests adding as many as 26 coordinators to manage connections with midrange donors alone; the assessment will likely respond that not fewer, but many more, are needed. Furthermore, as midrange and major giving are growing, while regular giving remains “fairly steady,” MADV intends to “add a piece” to identify “general donors” by direct engagement with congregations, adding more donors at the start of “end-to-end” care. Grantsmanship and estate planning programs are also “already taking off” and need staff resources.

Relating MADV’s work on planned giving to that of the Foundation, Hofman and CMO Robson noted that even with MADV’s own work in ministering to the needs of major contributors, the LCMS Foundation remains the “preferred partner” for writing estate plans and for management of funds, and very much involved in ongoing conversations with such willing contributors.

To concerns of “economic headwinds,” limited growth, perhaps even stagflation, Hofman and CMO Robson explained that, should the “worst case” develop, contingencies can be put in place to “manage to direct return-on-investment,” shifting staff to maintaining necessary “steady-state” today, while deferring investment in long-term planned giving. With known retirements coming, added positions can be reabsorbed by attrition if added staff do not result in increased income. The observation was made that if funds are harder to raise, more people are likely necessary to do it.

Hofman noted that MADV “has to raise its own money” through the MADV allocation and shows an excellent return on those dollars, \$11 of spendable revenue per \$1 spent on advancement. “If you want to feel good, come spend some time with us.” We have to take care of the people who are responding to the Gospel.

(I) Communications (COMMS) (pp. 87–90/303)

Co-interim Director of LCMS Communications Kevin Armbrust, noting the contributions of Co-interim Director Jennifer Duffy, who complements from the production side his editorial role in “filling the shoes of [recently retired] David Strand, an impossible task,” presented for his unit. He highlighted recent pieces of work, including the theme developed for the 175th anniversary of the Synod (“Only Jesus,” based on Acts 4:12), *Reporter*, *Lutherans Engage the World*, *Lutheran Witness*, noting that the work of sharing what is going on throughout the Synod involves travel to where work is happening but also advances the mission—and mission advancement—efforts. COMMS:

- helps develop significant Synod communications efforts, such as Set Apart to Serve, the Million Dollar Life Match, the triennial emphasis, and a project by LCMS Worship to compile and edit “thousands of prayers” for pastors to identify and use.
- runs the LCMS website, where worship resources are consistently most in demand: hymn and lectionary studies and prayers for use in worship.
- runs the LCMS presence on social media, where COMMS started a memory verse challenge for the Synod. LCMS is present on Facebook, Instagram, and Twitter, and is even looking at TikTok.

- provides photojournalism and video production, all in support of the Synod's ideas and mission and ministry opportunities. COMMS works hard to "get the stories in and the word out."
- produces *Reporter* and *Lutheran Witness*, which reach over 100k households every month—a strong performance in a "print-diminished" world. *Lutheran Witness* has outlived projections of its demise through seven years of concentration on making it a truly catechetical magazine, teaching the Church how to live and see the world as Lutherans—making it a very unique magazine (already one of the oldest in America), still very useful in teaching world how to see through the lens of the death of Jesus (Heb 12:2). *Lutherans Engage the World*, produced in close collaboration with MADV, tells quarterly the stories of missionaries, primarily to donors, but is available also to congregations, driving donor confidence that the work they are supporting is going on and that new opportunities abound. The *Sharing* newsletter gets condensed every other month from all of the above and "raises millions."

Faith, Armbrust explained, comes from hearing, and hearing through the word of Christ (Rom 10:17). COMMS is a "group of about 20 people," who believe this, who talk about in their meetings, who study the word together, who are excited to do this work and share with others how it is being done, domestically and internationally. This Word remains forever; the death and resurrection of Jesus is "eternally true." COMMS is "so excited" to continue proclamation of those truths. The group performed about 1,900 projects last year, much work on a small budget. COMMS hopes to add two new junior writers/editors and a junior production assistant and, as it seizes opportunities for more social media presence in new areas, new platforms, a director of media and public relations.

Questioned whether any of this output is "attractive to youth," Armbrust noted this as a "daily question" in COMMS (and engaging others, including LCMS Youth Ministry and Research Services) how this demographic is to be reached. Social media is a big piece. He noted one contra intuitive survey result, that "print publications are regaining popularity with young people who are 'sick of the algorithm.' They treasure the idea that this is a fixed resource." CMO Robson added, in the continued search for a unit executive, expertise and an eye toward strategic marketing are desired: insight into how to penetrate and segment audiences, work in competitive marketplace, rise above the background—perhaps not the unit executive's daily work, but a valuable skill set.

(J) KFUO Radio (pp. 91–94/303)

Mr. Gary Duncan, executive director of KFUE Radio, noted potential alignment with LCMS Communications activities and a desire to consider collaboration. KFUE Radio's FY23 budget proposal of \$1.2M represents a \$91k increase over last year, reflecting primarily inflationary increases. Revenue streams (partners, underwriters, endowments, bequests, tower rent, and the Sharathon fundraiser) are expected to cover the budget. The KFUE workforce includes 8 full-time, 3 part-time, and 5 contractors (program hosts, music curators, engineering). Although gifts are still being tallied, at \$160k so far, the recent Sharathon is the best on-air fundraiser in KFUE history. KFUE's podcast audience has grown for each program by at least 50%, year-over-year, with listener interactions also increased and 1.5M downloads expected during the current fiscal year alone.

Worldwide KFUE, Duncan noted, is only as strong as its foundation, which is the on-air system. He noted projects underway, including the K224FT 92.7 FM Translator, a westward transmitter move, 24-hour KFUE, and expansion of reach to a population of another 300k, all meaning "more people hearing the word of Christ." KFUE has applied for and the FCC has now granted a license for a full-power non-commercial radio station, with 3 years to build out and get on the air. The approx. 11kW station will originate from existing KFUE studios but broadcast from a tower in Troy, MO, to serve the rapidly growing "west-plex" (St Charles, Lincoln, Warren counties) with KFUE FM 89.7; three accompanying HD side-channels could have a variety of uses. KFUE AM, with one or two translators, and KFUE FM would both stream worldwide.

KFUO, Duncan noted, is strong and will remain strong as it moves in only two years into its 100th anniversary year as the oldest continuously operating Christian station. KFUE will continue to proclaim Christ for you, Christ for the world—for faith comes through hearing, and KFUE proclaims the Word of Christ in music and talk. The FY23 KFUE budget requests \$188k from board-designated (Innovative Communications) funds; the rest of the budget is covered by KFUE donors and other revenue streams.

(K) Pastoral Education (PED) (pp. 95–98/303)

The Rev. Dr. James Baneck, executive director of the Office of Pastoral Education, shared his department's activities under the seven mission priorities. Opening with Romans 10 as a text having to do with pastors preaching and faith coming by hearing, he noted: "Pastoral education, the Office of the Ministry, touches everything." PED collaborates with congregations, districts, the Synod's universities, and seminaries, in the work of recruiting and nurturing pastors who are faithful to the Word and Confessions, preaching, teaching, and creating saving faith.

The Set Apart to Serve (SAS) initiative is a significant priority. The first stage is focused on youth through the twelfth grade. Baneck invited the board to expect an increase in the number of full-time commissioned and ordained workers. He described the project as "building a story of steady collaboration and planned action," already enjoying synodwide buy-in from seminaries and universities, synodwide corporate entities, KFUE, and the LWML, church workers, congregations, and districts, many of which, along with camps, youth and educational venues, have had Baneck present at length on the initiative. In connection with his request for \$356k in board-designated funds in FY23 and a request for a manager position for the next two years, Baneck shared a number of SAS highlights, including 35 pilot projects in the 35 districts to test and fine-tune resources to be made available to the Synod for creating a "culture of recruitment for generations to come"; work with Concordia Publishing House on a comprehensive, multi-age-group curriculum; four related mission advancement projects; support by the Schwan Foundation in new grants, including one targeting second-career church workers; collaboration with many departments, especially Communications, and an outside marketing firm, Standing Partnership. All Concordias, Baneck noted, are "all in."

Baneck also mentioned a number of other PED activities:

- PALS remains a "vibrant program" in PED, a part of LCMS for 25 years, continuing to serve districts by assisting pastors in transitioning from seminary through the first three years of call. A full-time director is requested as PALS continues to grow in reputation and results, and it is seen more can be done. In response to a question, Baneck estimated that about 50% of new pastors go through PALS; discussion continues with the seven districts that use their own program exclusively, despite a convention resolution calling on all to use it.
- Global Seminary Initiative (GSI): \$379k is being used this summer to bring men from overseas for seminary education, to return home as a blessing to their church bodies
- Joint Seminary Fund: \$2.3M was given to sems last year, an increase of \$403k from previous year, and giving continues to increase this year. This forms over half of the \$4.2M the Synod gave to the seminaries last year, including direct subsidy.
- Life Together as Synod is an informational video series (3–5 min. each, with talk sheets) on mutual commitment to confession, mission, and good order. Six are posted and four more in production.
- Biennial Theological Professors Conference is being held at Concordia University Chicago, bringing perhaps 90% of theology professors from all Synod higher education institutions together for theological reflection and conversation.

(L) Human Resources (HR) (pp. 99–101/303)

Mr. Nathan Thomas, executive director of LCMS Human Resources, noted accomplishments and significant events in HR, with a number of transitions managed, including the unit executive transition; transition out of human resources services formerly performed for Concordia Plan Services (CPS) and

Lutheran Church Extension Fund (LCEF), ongoing through FY22; and the ongoing impact of managing “as it happens” through the coronavirus pandemic, most recently the “omicron” strain, which “hit hard.” An employee engagement committee has worked through a number of important initiatives, including one promoting prayer before all meetings. The salary budget methodology has been retooled. Paycor integration and communication training have resulted in process efficiencies. In FY22, to date and across all entities served, HR has hired 88 employees. A compensation study was completed in February, with work ongoing on a workplace stress study and an increase of services available to internationally deployed workers. The HR team started the year at 6 FTEs; one moved to CPS as part of the service transition and HR still has one FTE to hire, proposing to maintain at 5 going into FY23. Thomas highlighted characteristics and core competencies from the department’s strategic plan. HR presently works to be responsive to needs, which can arise suddenly; its “preferred future” is dealing more proactively with potential issues and recruiting versatile employees who can serve across program and strategy training. The department aims at “best-in class onboarding and training”, energizing workers to vocational doors that open to them when they come into the building, and hopes to “move the needle” on employee engagement. It takes time and energy, Thomas concluded, to move to a preferred future on a truly global scale, but it remains a pleasure to serve.

In discussion, the board asked about morale, which Thomas reported to be good overall, with good collaboration and talents in the building, but a need to monitor employees being “stretched too thin.” The size of the department relative to a reduced employee population served, with the withdrawal of CPS and LCEF, also received some attention from the board.

(M) Information Technology / Operations Support Services (OSS) (pp. 102–7/303)

Mr. Joel Rivers, executive director of LCMS Operations Support Services, spoke for his team, comprising six units, which “supports mission and ministry at the International Center and deployed, even worldwide. Rivers, noting that as “jack of all trades,” while it may be true that he is “master of none,” that’s still “often better than the “master of one,” aims to make sure the areas work together to provide the best service to staff. Rivers spoke of staff changes in FY23, especially the expected retirement of Barb Knehans in January after 43 years of service to the Synod. Her knowledge is being transferred very intentionally and positions are being redefined as a result. Rivers shared highlights from his six areas:

- Operations Service Coordination (OSC) saw a new ticket system eliminate paper processes and forms; in FY23 the tool will be offered to program areas (With work already underway with OIM) to automate suitable processes.
- Technology Application Group (TAG) continues to work intensively with the Secretary and Rosters, Statistics, and Research Services on continued development of the LCMS Information Support Network (LISN). Data security remains a high priority, with multi-factor authentication now on all email accounts and coming to all domain account logins, with additional features coming in FY23. Reliance on in-building resources continues to be reduced for enhanced business continuity and disaster recovery. Data (other than specialized media, login, and printing) and virtual desktop interfaces are migrating to One Drive, SharePoint, and Azure. Departments are being worked with on crucial processes.
- Mail and Print Services (MPS) is adding large format and envelope printing for savings to LCMS and CPS.
- Reception and Meeting Services (RMS) has added a new visitor system and hopes in FY23 to leverage the Zoom scheduler for room management.
- Facilities Management Services (FMS) enjoys a “great relationship” with building management firm Cushman & Wakefield. FY23 will bring the next phase of HVAC automation.
- Information Technology Desktop and Infrastructure Support Services (ITS), managed by Concordia Plan Services, continues to identify areas for collaboration.

Rivers noted finally that the Operations Team has approved a corporate Synod data retention policy, scheduled for implementation in FY23, in close collaboration with Concordia Historical Institute.

(N) Concordia Historical Institute (CHI) (pp. 114–17/303)

The Rev. Dr. Daniel Harmelink, executive director of Concordia Historical Institute, noted this as a great year, in the Synod's 175th anniversary year, to contemplate how we actively manage our history, exploring ways not only to treasure but to put into use the history Christ has graciously given us. The Institute is re-evaluating its priorities for next three years. Recently it has been busy retrieving artifacts of historical value from former Synod colleges and universities in Selma, Portland, Bronxville; reaching out to districts that are relocating; and working with archivists across the agencies and auxiliaries of the Synod. Harmelink concluded, thanking the board for its prayers and support, that “historical treasures will help us navigate what is ahead.”

(O) Commission on Theology and Church Relations (CTCR) (pp. 118–20/303)

The Rev. Dr. Joel Lehenbauer, executive director, shared a few highlights from the Commission on Theology and Church Relations. One month from the Sunday after the board meeting, June 22, CTCR celebrates its 60th birthday, as created by Cleveland convention in 1962. Lehenbauer, noting he has served the commission more than half its life, 31.5 years, shared a few “big projects”:

- The 2013 convention asked for a new *Small Catechism* edition, which was completed in 2017 and has proven immensely popular. In response to a question, Lehenbauer noted that schools across the Synod are indeed using the new book.
- The 2016 convention asked for an annotated *Large Catechism*, which has now been “tackled with vigor,” largely reviewed by the commission in internet conference meetings during the pandemic. The book, which will be about the size of *The Lutheran Study Bible*, will offer extensive footnotes and 80 excursive essays. Now waiting on paper supply issues at CPH, it may hit shelves in January 2023. This is the “biggest thing the CTCR has ever done, a great resource for years to come.”
- Finally Lehenbauer noted that the 150 major reports issued in the commission's 60 years, include “staple documents,” such as *Human Sexuality*, 1981, that are due for “major updates” in response to a “changing culture.” CTCR is working, at convention request, on refreshing that report, as well as on *Christian Care at Life's End*, 1993, and *Christian Faith and Human Beginnings*, 2005.

(P) Office of the Secretary (SECR) / Rosters, Statistics, and Research Services (RSRS) / Commission on Constitutional Matters / Commission on Handbook / Conflict Resolution and Expulsion Processes / Council of Presidents (pp. 107–13/303)

The Rev. Dr. John Sias, Secretary of the Synod, briefly surveyed the strategic view of his departments, seeking to provide forward-looking value to the congregations of the Synod in maintaining processes and procedures essential to our polity and to providing insight into present performance on the mission and planning of future mission. He noted a few projects his areas have been heavily involved in, including:

- modernization of convention processes and a new suite of web pages and communication vehicles intended to help congregations comprehensively engage the means by which they govern their Synod.
- modernization and taking “in-house” of databases used to support call processes for ordained and commissioned ministers throughout the Synod, aimed at improving the efficiency and effectiveness of processes that are critical to the life of congregations and schools but that have become often frustrating due to a limited pool of available ministers.
- a significant investment in the study of the coronavirus pandemic's impact on congregations, schools, and workers, as well as the cross-cutting impacts on synodwide entities. This work has produced insights leading beyond the pandemic itself and led to initial investigation of further and bigger research work together.

- an initial investigation, largely done to this point by the Secretary himself, with great cooperation from the district presidents and their offices, of how all parishes in the Synod are served and how the circuits of the Synod are changing.

Acknowledging that funding for SECR and RSRS comes in chief from the very precious pool of unrestricted dollars received primarily from congregational offerings shared with the Synod through the districts, he noted the inclusion of an additional researcher in the FY23 budget (reviving a position that had to be vacated in FY21), doubling the capacity of the Research Services area. This would build on the significant strength of that office, which the Secretary has been trying himself to augment as he has time—but has found he no longer has time.

The 5214 parishes of the Synod on average each provide about \$2450 to the Synod through district gifts; about \$275 of that (in the proposed budget) will go mostly to RSRS, some to SECR, and “coffee money” the commissions and processes administered by SECR; another \$28 supports the mutual counsel and work of the Council of Presidents. The Secretary observed that there “are no average parishes,” and that this is what makes his areas’ work interesting and useful. SECR, RSRS, and the rest hope to return significant value for the future of all the parishes of the Synod on this investment by providing for their governance of their Synod and the tuning up of the efforts, for them and on their behalf, for which they have joined it.

(Q) Chief Administrative Officer (CAO) / Board of Directors (BOD) / Legal (pp. 121–129/303)

Chief Administrative Officer Simek presented on his area, which involves CAO and executive assistant. A proposed purchasing position never materialized. CAO continues to work with CFO and CMO on process efficiency, as well as with ITS and CPS on the information technology side. Simek noted his upcoming retirement, suggesting a new CAO be identified to start late summer or early fall of 2023. Under BOD, the proposed budget deals only with four annual meetings; the increase for next year is over an “unrealistic” meeting budget this year. Simek noted, with regard to the Legal budget, that “much time” has been spent on legal issues, principally reacting to developments; the budget in that area has increased for FY23 to \$755k, estimating current levels of utilization. The CAO tries to manage the flow of work to outside legal counsel to control costs. An improved contract builder process and the adoption of Adobe Sign have helped streamline contract processes for efficiency and compliance. CAO Simek also serves on the Concordia Plan Services board.

(R) Internal Audit (IA) (pp. 130–33/303)

Mr. Chris Wood, executive director of LCMS Internal Audit (Joann Spotanski having retired as of the Audit Committee’s last meeting) presented for his area, noting that he has been with the department 26 years. In the FY23 budget, increased IA revenues are driven by an increased hourly rate charged to audits performed outside corporate Synod. While the department personnel budget does not include increased FTEs, it does reflect salary adjustments. Wood highlighted a few areas of work ongoing in FY23. IA plans to:

- continue to support development and integration related to Chrome River expense management and Paycor human resources and payroll systems.
- continue to support integration of Tangicloud and Banner, improving accounting for regional OIM offices. Staff is working especially with the OIM Asia Field office conversion while Asia is being managed domestically.
- examine corporate Synod’s monthly financial statement close process to provide more timely and actionable information.
- assist with business continuity, disaster recovery, and document retention policies.
- work to maintain communication with audit committee and BOD to help to identify and mitigate risk through proper procedure. Various ad hoc conversations with departments are valuable.
- perform 14 of 35 district audits, increased by one since FY22.

The biggest factors to monitor, Wood noted, are external factors, such as changes that may occur in Generally Accepted Accounting Practices (GAAP).

(S) Accounting (ACCT) (pp. 134–35/303)

Mr. Ross Stroh, executive director of LCMS Accounting, noted a request \$125k lower than in FY22 but with the same number of positions. Stroh noted a death, two retirements, and a transfer out which have impacted his department, with three new hires “integrating well.” Integration of new Paycor (payroll) and Chrome River (expense management) systems, as well as international Banner integration, have taken “great focus”; department cross-training is a goal once the department is caught up from these other projects.

(T) Chief Financial Officer (CFO) / Insurance / External Audit (pp. 136–38/303)

Chief Financial Officer Nathan Haak noted his office’s sharing of a new assistant with LCMS Accounting (a transfer from the department), but otherwise no new staffing in FY23 in his office, Accounting, or Internal Audit, though existing vacancies will likely be filled. Succession planning is underway for the unit executive position in LCMS Accounting. The department is hoping to increase its breadth and flexibility by developing the potential of new hires, moving from a pure accounting function to providing more “value-add” to the organization through analysis, an effort in which Internal Audit staff may also have something to offer if proper processes and procedures can be worked out. Integration of accounting and other data systems is a first step, presently being evaluated for the best approach. Haak noted “good input” from the Audit Committee on cash management policy. He also explained his desire in FY23 to explore calendarizing the budget for seasonal revenue and expenditure and to better contextualize the current situation in a broader, multi-year perspective. The Synod needs, in his impression, a framework for understanding long-term impact of decisions presently being made. Haak noted that insurance cost to LCMS increased by about 4.3% in FY23. He reported positive interactions with external auditors from Armanino, appreciating especially their demonstrated familiarity with LCMS structure and operations. Board member Rick Stathakis noted, for the Audit Committee, appreciation of Haak’s performance and flexibility at only three months in.

Operating Budget Summary Conclusion

CFO Haak concluded the FY2022–23 operating budget review presentation (pp. 295–98/303), returning to the budget balance summary and presenting the proposed operating budget resolution.

The board discussed the budget bottom line and the requested releases of board designated funds, as to their consistency with designation and historically typical use. The board also discussed the detail in which the budget and/or use of board designated funds is communicated in the budget resolution.

Board comments reflected a feeling that the discussion of strategic plans needed to be more focused on strategy and financial need, especially indicating significant budget changes and indicators that intended ends are being achieved through proposed means. It was conceded that a lack of general board-information time for the various units may contribute to a tendency to present more descriptions of “general programming” during the budget meeting.

The observation was made that Synod budgets have typically been “hand-to-mouth,” with a need for longer-term trend analysis beyond three-year moving averages on some revenue items. President Harrison noted that CFO Haak has brought this capacity, that much “back-of-the-envelope” work is already being done to support decision-making, with firmer means of estimation coming.

LCMS FY22 Capital Budget

CFO Haak next explained the proposed FY23 capital budget (pp. 297–98/303), including \$420,748 for building-related expenditures (a share of maintenance expenses shared with other International Center occupants), \$172,433 for information technology and peripherals, \$127,060 for KFUEO Radio revitalization

(carried over from FY21 as unspent), and \$24,000 for the KFUE Radio music library, totaling \$744,241 in planned capitalized expenditures. The net impact on depreciation expense for FY23 is a decrease of \$43k.

Budget Discussion

The board returned to discussion of the budget proposal, focusing generally on the proposal's addition of a significant number of full-time equivalent staff positions, a reversal of recent trends. Discussion reflected appreciation for demonstrated needs and high expectations supported by some forward-thinking analysis, but also noted a turn from exceptional market and economic performance to the "worst quarter in 21 years for the stock market" and a seeming time of great uncertainty. Also noted:

- Responsive internal controls and prudent board conditions need to be in place to moderate approaches if changing conditions dictate.
- Additions contemplated are in ministry areas, reflecting a "good focus" and orientation toward the objectives of the Synod's congregations. The consistency of increases with good stewardship, advances on ends, not just growth of means, will need to be demonstrated to the Synod.
- Further investment in Mission Advancement (MADV) and a building on the tremendous success of the Network Supported Missionary (NSM) model, adding staff to perform specific ministry work that can be identified with and supported, seem promising. Considering inflationary pressures, more resources will be needed, and that means investment.
- For the last 12 years, one member mused, the board has had to make cuts but has also asked "how to raise the top line revenue to grow capacity." There is an opportunity in the MADV proposal to do this.
- The proposal of 27 positions, with 7 reserved, could well be described as a proposal of 20, with the possibility of amendment to include the other 7 if conditions permit.

246. Legal Report

The board entered executive session.

246X. Executive Session IIA: Legal Report

247. Concordia University System Campus Visitations

The board continued in executive session.

247X. Executive Session IIB: Concordia University System Campus Visitations

248. LCMS Holdings Cash Flow Committee

The board continued in executive session.

248X. Executive Session IIC: LCMS Holdings Cash Flow Committee

The board returned from executive session.

249. Insurance Report

Board member Christian Preus noted questions and comments resulting from his review of the insurance report (pp. 226–34/303), to be followed up on by CAO Simek with Risk Management:

- Under LCMS Executive Risk, limits and deductibles for directors and officers (p. 228–29/303), it was questioned whether the stated deductible applied to a director’s defense costs in an instance where a director would be sued directly and LCMS cannot indemnify.
- It was noted under Cyber Liability (p. 229/303) that incomplete adoption of multi-factor authentication (MFA) posed challenges for renewal with an existing carrier. It was explained that LCMS information technology (IT) staff are well down the road to fully implementing MFA, which should be fully in place by the next renewal, broadening carrier options. The question remains how this may affect participating districts and other agencies with more limited IT resources.
- A formal, in-person presentation of the insurance report would allow for questions and answers.

250. Synodwide Entities Action Review Committee

Committee chairman Ed Everts updated the board on the work of a board committee that grew out of a January meeting between members of the Synod board and the board of the Lutheran Church Extension Fund (and more broadly speaking, out of work started about six years ago to bring the entities and corporate Synod back together), which is now “working through” the relationship of the other entities with each other and with the Synod. The committee is reviewing bylaw and historical relationships, as well as “friction points” or “overlaps” identified by Synod officers.

Everts expressed concern that the previously shared Human Resources department is being “recreated” by Concordia Plan Services and the Lutheran Church Extension Fund, noting that the “profit-making business world” is competitive and self-policing. In the non-profit world, entities are operating with a margin but don’t tend to have the same kind of discipline as profit-making industries, where shareholders or owners demand accountability. If operations are inefficient, or even growing more so, any “profit” lost is “coming out of the pocket, not of some owner or shareholder, but of the church.” This should be a powerful incentive to increase efficiency. The board has a role here in demanding accountability from all entities.

The committee is concerning itself primarily with the Lutheran Church Extension Fund, Concordia Plan Services, the LCMS Foundation, Concordia Publishing House, and Concordia Historical Institute, as Concordia University System is receiving a thorough evaluation and may be restructured as part of the 2019 Res. 7-03 proposal headed to the 2023 convention. Everts posed the question for the board as the committee’s ongoing charge, as to how the committee’s recommendations will eventually be acted upon: by policy, by appointments or new board relationships, by action under existing bylaws, or by enactment of new ones. He noted the committee is also “looking to establish ongoing patterns of meaningful communication with entities,” an aspect that involves not only the respective governing boards but also the Operations Team being engaged with the entities “day to day.”

251. Audit Committee Report

Audit Committee Vice-Chairman Ed Everts reported on his committee’s meeting of the previous afternoon. The committee:

- reviewed the Corporate Synod FY23 Budget overview. The committee, having seen significant position increase proposals for the first time, expressed concerns that have been “partially addressed” by timing considerations and other explanations during the board meeting’s presentations.
- reviewed the external audit budget, which did not present a significant increase.

- continued to discuss activities of Internal Audit, especially as relates to cost to Synod of external work performed by the department. CFO Haak noted the external activity is probably a financial wash to the Synod on time amounting to approximately 1.5 FTE.
- reviewed CFO Haak’s report on board-designated funds, particularly smaller, older funds, with recommendations to come to the board at its next meeting. A similar review of approx. 48 “dormant donor-restricted funds” will result in further recommendations to the board.
- reviewed and offered guidance on a cash management policy developed by CFO Haak.
- reviewed the insurance report.
- reviewed Concordia University System (CUS) financial summaries for universities. Three still show line-of-credit availability from CUS, which may simply be an oversight; CUS was asked to follow up with universities to correct reporting.
- noted development of independent Human Resources arms by Concordia Plan Services and Lutheran Church Extension Fund, with the latter having hired a director.

252. Governance Committee Report

Governance Committee Chairman Christian Preus reported on his committee’s meeting of May 9 (pp. 45–59/303), in which the following items were reviewed:

- List Management Policies: responding to a request from Mission Advancement Executive Director Mark Hofman, the committee proposed revised policies regarding the board’s limitations on and delegation of authority for donor lists (policies 5.2.6 and 5.7.3.2, pp. 56–57/303).
- Annual Policy Review, Monitoring, and Action Calendar: The committee reviewed and proposed revisions to the calendar for clarity and efficiency (pp. 58–59/303).
- Background Checks in Appointment Processes: Noting that the Lutheran Church Extension Fund and Concordia Plan Services operate in regulatory and business circles requiring board members to undergo background checks, the committee discussed to what extent and with what procedure background checks might be integrated into the board’s appointment processes. As part of this process, the committee considered a comparable Bylaw 3.12.4.2 (g), which relates to elected positions. The committee is not aware of regulatory requirements for Synod board members to undergo background checks but raised the question of whether such checks are advisable anyway, for this board or for others, including those to which the board makes appointments. This might involve either board policy or bylaw development and development of process. The board by consensus left the item in the hands of the committee for further study, having received feedback that there seem to be “few negatives” to implementing checks and that this may be a good practice.
- Board Self-Review: the committee reviewed survey results from the board’s self-review survey (pp. 47–55/303), focusing primarily on the few questions where less than fully positive responses presented in any number. Items highlighted as desired by board members:
 - more timely information on actions of executive committee, which could be resolved with a prompt notice of meeting and general description of topic.
 - improved monitoring of financial performance and fiduciary accountability of corporate Synod, financial reporting to ensure operations of corporate Synod are sound
 - more useful insight into the strategic application of resources in each business unit
 - an increasingly influential role in productive strategic planning and insightful and forward-looking allocation of resources. This and the previous item had by far the lowest marks.
 - more active engagement in the board development process.
 - more time in board meetings to manage the amount of work and move to more proactive decision-making, although there was also appreciation for efficient meetings.

Noted was an observation in the surveys that the board members found the board not as diverse as could be in terms of “experience, skills, ethnicity, gender, and age group.” Other individual, written comments were noted as very helpful to read and consider. One significant comment was that the board’s workload has increased substantially in the past 12 years. Board members are loaded with general board activities, standing committees, and generally ad hoc committees, as well. Perhaps the board, when reconstituted after the upcoming convention, should look seriously at augmenting itself with the three allowed additional members allowed under the bylaws.

The final items raise the question of the board’s role in strategic planning, relative to the work done by officers. What would it look like for the board to be more engaged in this process?

253. **Action Items**

Chairman Kumm presented to the board the following remaining action items, as scheduled for the present meeting:

(A) Appointments: Board of Directors—Concordia Plan Services and Board of Trustees—Concordia Plans

Concordia Plan Services informed the LCMS Office of the Secretary that with one (1) incumbent minister of religion—ordained (Otten) and one (1) incumbent lay member (Hawk) eligible for re-appointment; two (2) lay members having reached the end of their term limits (Jaacks and Strombeck); and one (1) lay member having resigned her position (Bonafede), the LCMS Board of Directors would need to appoint a total of (5) five positions:

Board of Directors—Concordia Plan Services and Board of Trustees—Concordia Plans

(1) Minister of religion—ordained position

(4) layperson positions

three-year terms (Sept. 1, 2022–Aug. 31, 2025)

LCMS Bylaws require that of the twelve laypersons, at least five must be experienced in the design of employee benefit plans, at least five must be experienced in the management of benefit plan investments, and at least one must have significant financial/audit experience. Concordia Plan Services has provided the board with a description of the responsibilities and desired qualifications of board members

The LCMS Office of the Secretary sent out a call for nominations on January 11, 2022, requesting response by March, 2, 2022, and, assisted by the LCMS Department of Human Resources and Concordia Plan Services, compiled information on all nominees and/or incumbent nominees. The Personnel Committee of the Board of Directors, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, in its meeting of April 19, presented the following slate to the board (pp. 236–40/303) along with its recommendations and those of the Concordia Plan Services board, as shared in its report:

Candidates	
Ordained minister (appoint 1)	
Krusemark, Jesse E. — Austin, Minn. (MNS)	
Miller, Mark A. — Springfield, Ill. (CI)	
* Otten, David G. — Gettysburg, S.D. (SD)	
Laypersons (appoint 4)	
Hartmann, Gail L. — Saint Louis, Mo. (MO)	Kuehn, Ronald — Lincoln, Nebr. (NEB)
* Hawk, David K. — Fort Wayne, Ind. (IN)	LaBrie, Alexander K. — Santa Monica, Calif. (CNH)
Huber, Jesse P. — Plymouth, Minn. (MNS)	Offermann, Roger — Topeka, Kansas (KS)
Kreienkamp, Dale E. — Ballwin, Mo. (MO)	Schmidtke, Mark E. — Valparaiso, Ind. (IN)
<i>* incumbent, eligible for reappointment</i>	

From the above slates, the board elected by a majority vote, in single electronic ballots, the following:

Ordained minister (appoint 1)

Miller, Mark A. — Springfield, Ill. (CI)

Laypersons (appoint 4)

Hartmann, Gail L. — Saint Louis, Mo. (MO)

Hawk, David K. — Fort Wayne, Ind. (IN)

Huber, Jesse P. — Plymouth, Minn. (MNS)

Kuehn, Ronald — Lincoln, Nebr. (NEB)

The Secretary is directed to notify those appointed and thank the other nominees, on behalf of the board, who allowed their names to be considered.

(B) Appointments: Members-at-large, Lutheran Church Extension Fund—Missouri Synod

The Lutheran Church Extension Fund informed the LCMS Office of the Secretary that it would be necessary for the LCMS Board of Directors to make appointments for four member-at-large positions (term Nov. 1, 2022–Oct. 31, 2025), for one member-at-large vacancy (term Nov. 1, 2021–Oct. 31, 2024) resulting from the death of Rev. Rexford Umbenhaur III, and for two to three alternates (in case any members-at-large are unable to attend the annual meeting) and provided a description of the responsibilities and desired qualifications of these at-large members, which was included with nomination information.

The LCMS Office of the Secretary sent out a call for nominations on January 11, 2022, for responses by March 2, 2022. The LCMS Office of the Secretary and the LCMS Department of Human Resources have compiled information on all nominees and/or incumbent nominees. The Personnel Committee of the Board of Directors, having evaluated all submitted nominations, biographical sketches, and confidential evaluations, in its meeting of April 19, assembled the following slate to the board along with its recommendations (pp. 239–40/303):

Candidates	
Members-at-large (appoint 4 to full terms and 1 to vacancy term) and alternates (appoint 2–3)	
Bahn, David L. — Cypress, Texas (TX)	*Nau, William H. — Midlothian, Va. (SE)
*Boehlke, Christian J. — High Ridge, Mo. (MO)	*Ullerich, Stanton G. — Council Bluffs, Iowa (IW)
**Golden, Gregory T. — Carthage, Mo. (MO)	Zuch, Aaron T. — Blaine, Wash. (NOW)
**Kzirian, Michael — Ocean Grove, N.J. (NJ)	
<i>* incumbent member-at-large, eligible for reappointment; ** incumbent alternate</i>	

From the above slates, the board elected by a majority vote, in single electronic ballots, the following, appointing as alternates those candidates remaining after appointment of members-at-large:

Members-at-large (term Nov. 1, 2022– Oct. 31, 2025, appoint 4)

Boehlke, Christian J. — High Ridge, Mo. (MO)

Golden, Gregory T. — Carthage, Mo. (MO)

Nau, William H. — Midlothian, Va. (SE)

Ullerich, Stanton G. — Council Bluffs, Iowa (IW)

Member-at-large (term Nov. 1, 2021– Oct. 31, 2024, appoint 1)

Zuch, Aaron T. — Blaine, Wash. (NOW)

Alternates (appoint 2)

Bahn, David L. — Cypress, Texas (TX)

Kzirian, Michael — Ocean Grove, N.J. (NJ)

The Secretary is directed to notify those appointed and thank the other nominees, on behalf of the board, who allowed their names to be considered.

(C) Appointment: Vacancy, Individual Member (Central Region), Board for National Mission

The chairman of the LCMS Board for National Mission informed the LCMS Office of the Secretary that, due to the relocation of Ms. Martha Milas outside of the Central Region, it would be necessary for the LCMS Board of Directors to make an appointment to fill the following vacancy position:

LCMS Board for National Mission

**(1) one individual member (ordained or commissioned) representing the Central region
for the remainder of the 2019–2026 term (more than one-half term)**

The LCMS Office of the Secretary sent out a call for nominations on January 31, 2022, requesting response by March 2, 2022, and, assisted by the LCMS Department of Human Resources, compiled information on all nominees, including the slate of candidates from the previous convention. This information has been submitted, in its entirety, to the Standing Committee on Nominations (“Bylaw 3.2.5 Committee”), to the Personnel Committee, and to the Board of Directors for inclusion in the board appointments book.

The Standing Committee on Nominations (“Bylaw 3.2.5 Committee”), having evaluated all submitted nominations, biographical sketches, and confidential evaluations, having been charged to select a slate of no fewer than three and no more than five candidates, has presented the following slate to the board (pp. 241–42/303):

Candidates (three to five selected by the Standing Committee on Nominations)
Ericson, Berit — Springfield, Ill. (CI) Meyers, Sawyer A. — Olive Brach, Miss. (MDS) Weedon, William C. — Hamel, Ill. (SI) <i>* Blodgett, Michael S. — Fort Wayne, Ind. (IN)</i>
Non-Candidate Consenting Nominees
Blodgett, Michael S. — Fort Wayne, Ind. (IN) Schilbe, Scott — Carlyle, Ill. (SI) Truwe, Gregory R. — Cole Camp, Mo. (MO) Van Duzer, Thomas N. — Kansas City, Kansas (KS) <i>* added to appointment ballot by the Board of Directors</i>

The board’s Personnel Committee met April 19 and recommended Meyers, Blodgett, and Weedon for appointment, with Blodgett being a non-candidate consenting nominee. The committee moved and it was carried to add Blodgett to the slate. The board, by majority vote in a single electronic ballot, elected:

Board for National Mission, Individual Member (Central Region)

Meyers, Sawyer A. — Olive Brach, Miss. (MDS)

The Secretary is directed to notify the appointee and thank the other nominees, on behalf of the board, who allowed their names to be considered.

(D) Appointment: Vacancy, Individual Member (Central Region), Board for International Mission

The LCMS Office of the Secretary was notified on January 3, 2022, that the Rev. William F. Zwick, an individual member (ordained or commissioned minister) on the Synod’s Board for International Mission representing the Central Region, having been appointed by the LCMS Board of Directors in November 2020 to fill a 2016 LCMS convention-elected vacancy for the 2016–2023 term, had resigned his membership on the board. It would thus be necessary for the LCMS Board of Directors to make an appointment to fill this vacancy position as follows:

LCMS Board for International Mission

**(1) one individual member (ordained or commissioned) representing the Central region
for the remainder of the 2016–2023 term (less than one-half term)**

The LCMS Office of the Secretary sent out a call for nominations on January 11, 2022, requesting responses by March 2, 2022, and, assisted by the LCMS Department of Human Resources, compiled information on all nominees, including the slate of candidates from the previous convention. This information has been submitted, in its entirety, to the Standing Committee on Nominations (“Bylaw 3.2.5 Committee”), to the Personnel Committee, and to the Board of Directors for inclusion in the board appointments book.

The Standing Committee on Nominations (“Bylaw 3.2.5 Committee”), having evaluated all submitted nominations, biographical sketches, and confidential evaluations, having been charged to select a slate of no fewer than three and no more than five candidates, on April 4, 2022, presented the following slate to the board (pp. 243–44/303):

Candidates (three to five selected by the Standing Committee on Nominations)
Gier, Jr., James D. — Fort Wayne, Ind. (IN)
*Kirby, Peter N. — Saint Louis, Mo. (MO)
Mahsman, David L. — Saint Louis, Mo. (MO)
Tieman, Terry D. — Cordova, Tenn. (MDS)
<i>* from the 2016 Convention Slate of Candidates</i>

The Personnel Committee met on Tuesday, April 19, 2022, and recommended the appointment of Gier. The board, by majority vote in a single electronic ballot, elected:

Board for International Mission, Individual Member (Central Region)

Gier, Jr., James D. — Fort Wayne, Ind. (IN)

The Secretary of the Synod is charged, thereupon, to notify those appointed and thank the other nominees, on behalf of the board, who allowed their names to be considered.

(E) FY2022–23 Synod Operating Budget

The Synod operating budget for the fiscal year (FY2022–23 or FY23) to run July 1, 2022, to June 30, 2023, as proposed by the Synod Operations Team, having been presented and reviewed by the board, came before the board for further discussion and action (p. 245/303). The resolution as proposed was moved and thrice successfully amended:

- to incorporate into resolution the summary tables on the expense and support sides of the budget, including the release of board designated funds, as appendices to the budget resolution.
- to approve the proposed addition of 20 new full-time equivalents (FTE) but to authorize only 10 to be filled as of July 1, with filling of remaining new FTEs subject to affirmation by the board at subsequent meetings. Discussion of this amendment noted that, on the one hand, the Operations Team might be relied upon to handle pacing; but that, on the other, the budget reflects a significant reversal of recent trends in FTE reduction and should be handled very carefully.
- to require the planned Mission Advancement assessment to begin in the first quarter of the new fiscal year (FY23)

The resolution was then adopted as thrice amended:

Resolved, That the Board of Directors approve the FY2023 Mission and Ministry Operating Budget as follows:

Total Revenue	\$ 82,035,675
Total Spending	\$ 81,434,436
Surplus	\$ 601,239

and be it further

Resolved, That the summary expense budget, by major division, and source of funds, including authorization of release of board-designated funds, be appended to this resolution; and be it further

Resolved, That the addition of 20 new full-time equivalents (FTE) proposed in the budget be approved, with 10 FTE authorized to be filled as of July 1 and the filling of remaining new FTEs subject to affirmation by the board at subsequent meetings; and be it further

Resolved, That the planned Mission Advancement assessment be required to begin in first quarter FY23; and be it finally

Resolved, That the Board of Directors allow non-material deviations to be made by the Chief Financial Officer to set final budget consistent with the intentions of a surplus/balanced budget.

Resolution Appendix 1: Summary, FY23 Operating Budget Expense Request

Category	FY23 Expense, supported by: Unit	Restricted funds (k)	Unrestricted funds (k)	Total (k)	FY22B Total (k)
<i>Mission & Ministry Programs</i>		\$42,239	\$7,900	\$50,138	\$42,370
	Office of International Mission, Office of National Mission, Pastoral Education, University Education, Communications, KFUEO Radio				
<i>Youth Gathering</i>		8,754	—	8,754	—
<i>Ecclesiastical Programs</i>		372	7,296	7,668	6,907
	Commissions on Constitutional Matters, Handbook, and Theology / Church Relations; Dispute Resolution; convention task forces; Legal; Rosters, Statistics, and Research Services; Church Relations; Office of the President; Office of the Secretary; Boards for National and International Mission; Council of Presidents; Chief Mission Officer; Concordia Historical Institute; contingency				
<i>Management & General</i>		23	7,578	7,601	7,527
	Board of Directors; Chief Administrative and Financial Officers; Insurance, External Audit, Internal Audit, Accounting, Legal, Information Technology / Operations Support Services, Human Resources, interest				
<i>Mission Advancement</i>		7,273	—	7,273	5,923
Total		\$58,661	\$22,774	\$81,434	\$62,724

Resolution Appendix 2: Summary, FY23 Operating Budget Support Plan

Total gifts	\$61,742	(thousands)
Materials and services revenue	2,654	
Release of gifts on hand	6,961	
Youth Gathering revenue	8,754	
Release of board-designated funds	1,924	
<i>From CUS Risk Endowment Fund</i>		
Concordia University System	434	
<i>From KFUEO-FM Sale Proceeds/Innovative Communications Fund</i>		
Communications	724	
Set Apart to Serve	359	
Making Disciples for Life	106	
KFUEO Radio	186	
Other	115	

Total Revenues including Net Asset Releases	82,035
Total Expenses	(81,434)
Proposed Surplus / (Deficit)	\$601

(F) FY2022–23 Synod Capital Budget

Board of Directors policy requires all Synod departments to submit their requests for capital items as a separate annual budget for approval. The Chief Financial Officer has identified the source of funding to be general corporate cash or capital debt, as necessary. Departments and other corporate entities are charged for their capital acquisitions over the economic life of the asset via depreciation. The capitalization level is \$5,000. All items with a purchase price above \$5,000 and a useful life of longer than one year or an aggregate amount above \$5,000 when purchased together are capitalized.

The Synod capital budget for the fiscal year to run July 1, 2022, to June 30, 2023, as proposed by the Synod Operations Team, having been presented and reviewed by the board (p. 246/303), was moved and adopted:

	FY23 Request
Building-related	\$420,748
KFUO Radio*	151,060
<u>IT computers and peripheral equipment</u>	<u>172,433</u>
Total	\$744,241

** includes \$127,060 approved in FY21 but not spent.*

Resolved, That the Board of Directors approve the FY2022–23 Capital Budget request totaling \$744,241 as shown on the attached lists (p. 246, 297/303) with funding provided by corporate cash, capital debt (when authorized by the board), restricted funding, and/or through allocations to other corporate users, subject to adequate funds being available, as determined by the Chief Financial Officer.

(G) Commission on Theology and Church Relations Representation at 2023 Synod Convention

The Executive Director of the Commission on Theology and Church Relations (CTCR) requested that the board address the commission’s representation at the 2023 Synod Convention, authorizing it to be officially represented also by its associate executive director (pp. 247–48/303). The Secretary noted that the Commission on Handbook will be recommending a bylaw change to render this triennial resolution no longer necessary. It was moved and adopted:

WHEREAS, Bylaw 3.1.4.1(a) states that “Each board or commission shall be represented [at conventions of the Synod] by its chairman or another board or commission member and by its principal staff person”; and

WHEREAS, Bylaw 3.1.4.1(b) stipulates that “Standing exceptions shall be the Board of Directors, the Commission on Constitutional Matters, the Commission on Handbook, and the Commission on Theology and Church Relations, who may be represented by as many of their membership as they deem necessary”; and

WHEREAS, Historically the CTCR has understood the word “membership” in Bylaw 3.1.4.1(b) to be inclusive of staff members of the CTCR, and so has typically designated its Executive Committee and the members of its executive staff to represent the CTCR as advisory representatives at conventions of the Synod; and

WHEREAS, The Secretary of the Synod has informed the Executive Director of the CTCR that, upon closer analysis, the term “membership” in Bylaw 3.1.4.1(b) is most properly applied only to voting and advisory members of the CTCR as listed in Bylaw 3.9.5.1; and

WHEREAS, 2016 Synod convention, Res. 11-17, To Establish Representation at Synod Conventions for the Board for National and International Mission, while recommending bylaw changes to

accommodate the mission boards, failed to address the need for members of the CTCR executive staff to represent the CTCR as advisory representatives at conventions of the Synod; and

WHEREAS, The President's office, recognizing the important role played by the CTCR's executive staff at Synod conventions and floor committee meetings, has recommended that the bylaws be revised to enable the CTCR to appoint members of its executive staff to serve as advisory representatives at Synod conventions; and

WHEREAS, The Office of the President recommends the Secretary of the Synod to bring this recommendation to the Commission on Handbook, with a view toward a proposed revision to be considered at the 2023 Synod Convention; and

WHEREAS, Pending a change in the bylaws, the Executive Director has been encouraged to make use of Bylaw 3.1.4.1(c), which states "Other exceptions must have the approval of the Board of Directors of the Synod prior to each convention", to request that additional members of the CTCR's executive staff (e.g., Associate and/or Assistant Executive Director) be designated as advisory representatives of the CTCR to the 2023 Synod convention; therefore be it

Resolved, That the Board of Directors grant an exception to Bylaw 3.1.4.1, allowing the CTCR to designate additional members of its executive staff to serve as advisory representatives of the CTCR at the 2023 Synod convention, in accordance with Bylaw 3.1.4.1(c).

(H) Synod Officer Salary Adjustment

The Department of Human Resources conducts an annual review of local and national salary trends and compares them with the current LCMS salary ranges and actual salaries. The objective of this analysis is to measure the ability of the International Center employers to remain competitive with the local not-for-profit market. In addition, Corporate Synod recently conducted a market compensation study with consultants at Astron Solutions. This study found that the salaries of our Chief Financial Officer and Chief Mission Officer were below the desired market value as defined in our compensation philosophy.

Per the Board of Directors' Policy Manual section 5.6.6.6, the board approves the salaries of the Synod officers. The Secretary having asked that his abstention, per Bylaw 1.5.2 (b)(3), be recorded, it was moved and adopted (p. 249/303):

WHEREAS, The Board of Directors has considered a 5.0 percent salary increase pool for non-officer employees; and

WHEREAS, The Chief Financial Officer and Chief Mission Officer salaries are below market value as defined by the Corporate Synod compensation philosophy; and

WHEREAS, The Officers of the Synod have been fulfilling the requirements of their positions; therefore be it

Resolved, Effective July 1, 2022, the Chief Financial Officer salary receive a 2 percent market adjustment and the Chief Mission Officer receive a 5 percent market adjustment; and

Resolved, Effective July 1, 2022, the President, the Secretary, the Chief Administrative Officer, the First Vice-President, the Chief Financial Officer, and the Chief Mission Officer receive a 5 percent annual increase.

(I) Closure of Bank Accounts with China Construction Bank (Asia) Corporation Limited, Hong Kong

It was moved and adopted (p. 250/303):

WHEREAS, The Office of International Mission Asia office has moved from Hong Kong to Taiwan but maintained bank accounts in Hong Kong with the China Construction Bank (Asia) Corporation Limited. An LCMS employee remained in Hong Kong whose responsibilities included bank mandated face-to-face duties; and

WHEREAS, The Hong Kong based employee will resign from her position. Rather than hire a new Hong Kong based employee, the decision has been made to close the accounts with China Construction Bank (Asia) Corporation Limited and move them to Taiwan; and

WHEREAS, The China Construction Bank (Asia) Corporation Limited requests the LCMS Board of Directors adopt the following resolution; therefore be it

Resolved, That Chairman Michael Lea Kumm noted the following board members, in addition to himself, comprising a quorum for the meeting, attended The Lutheran Church–Missouri Synod Board of Director meeting May 20–21, 2022:

Edward Herman Everts	Josemon Hoem	Peter Kristoff Lange (nonvoting)
Keith Edward Frndak (via Zoom)	Christian Andrew Preus	Jesse Lewis Yow, Jr.
Larry Walter Harrington	John Wollenburg Sias	Richard Harry Stathakis
Matthew Carl Harrison	Jan Walter Lohmeyer	Andrew Norman Grams

and be it further

Resolved, That the following bank accounts maintained with China Construction Bank (Asia) Corporation be closed with immediate effect:

HKD current account No. XXXXXXXXX9028
HKD Current account No. XXXXXXXXX2301
USD saving account No. XXXXXXXXX6610
USD Savings account No. XXXXXXXXX5410
HKD Savings account No. XXXXXXXXX1411
China Construction Bank (Asia) Corporation Limited

(J) Board Policy Manual Revision: Section 5.7.3.2, Management of Lists; and Section 9, Annual Policy Review, Monitoring, and Action Calendar

Relevant policy revisions having been discussed during the report of the Governance Committee, it was moved and adopted (pp. 251–54/303):

WHEREAS, Board of Directors Policy 2.10.1.3.1 directs the Governance Committee to review the policies of the board and to make recommendations for new or amended policies; and

WHEREAS, During the course of reviewing this section of the manual, the Chief Administrative Officer has solicited input and/or review from the members of the Governance Committee; and

WHEREAS, Board members are encouraged to provide comments and suggestions regarding these proposed changes and any other change they deem appropriate to raise for the board’s consideration during the review of these policy sections; therefore, be it

Resolved, That the Board of Directors adopt the changes to Board Policy Section 5.7.3.2, Management of Lists; and Section 9, Annual Policy Review, Monitor and Action Calendar, found in The Lutheran Church–Missouri Synod Board of Directors’ Policy Manual as shown on Exhibits A and B (pp. 252–54/303).

(K) Establish a Non-Governmental Organization (NGO) in Uruguay

It was moved and adopted (p. 255/303):

WHEREAS, The LCMS Office of International Mission (OIM) currently provides financial support for mission and ministry operations in Uruguay through a local congregation, *Congregación Evangélica Luterana San Pablo*; and

WHEREAS, Over the years, the national church body in Uruguay has grown and prospered into an established church body that is an integral part of OIM strategy in its Latin America-Caribbean region; and

WHEREAS, The mission work in Uruguay has expanded and continues to grow in scope requiring increased missionary support for expenses, residential permits, rental contracts, and local employment contracts throughout Uruguay, the foregoing necessitating resources and support beyond the single congregation in San Pablo; and

WHEREAS, The OIM supports a next step to establish an LCMS non-governmental organization (NGO) in Uruguay with the intention eventually to transfer it to local control as the church body matures; and

WHEREAS, Uruguayan legal counsel has been identified to provide the necessary expertise and assistance to establish an LCMS NGO in Uruguay; and

WHEREAS, The OIM, the LCMS Chief Mission Officer (CMO) and the LCMS Chief Administrative Officer (CAO), in consultation with Thompson Coburn LLP, wish to retain Uruguayan legal counsel to establish such LCMS NGO; therefore be it

Resolved, That the LCMS Board of Directors approves the establishment of an NGO in Uruguay under the control of the LCMS under coordination with the CMO and CAO; and be it further,

Resolved, That the LCMS Board of Directors direct the Office of International Mission, Frank Simek (Chief Administrative Officer), in consultation with Thompson Coburn, to engage Uruguayan legal counsel to establish the desired LCMS-controlled NGO as presented herein.

254. Meeting Review

The board entered executive session to review the meeting according to its policies.

254X. Executive Session III: Meeting Review

255. Adjournment

The board returned from executive session. The board discussed its November board meeting's timing and location. It was moved and adopted to move the board's November meeting to Phoenix in connection with a fellowship opportunity for the board on Thursday the 17th, meeting Friday 18th until Noon Saturday the 19th. Having concluded its agenda, the board adjourned.

John W. Sias, *Secretary*