current constitution of the commission is two women and three men. There is reasonable diversity in age. However, all the members are white. The work of the commission is quite detailed, and the commission does need members with legal expertise as well as institutional knowledge. The review committee believes that these needs can be met while also increasing diversity.

**Request to Transfer Congregations from One Regional Synod to Another**

The GSC received a request from the Classis of Zeeland regarding two of its congregations that wish to transfer to the Classis of Greater Palisades. Because this transfer is across regional synod lines, it must be approved by the General Synod (*BCO*, Chapter 1, Part IV, Article 2, Section 3 [2018 edition, p. 67]). Because the GSC requested that classes consider limiting their submission of overtures to the 2019 General Synod in order to leave space in the schedule to engage with the work of the Vision 2020 Team, the Classis of Zeeland requested that GSC bring the transfer request to General Synod on its behalf.

At its March 2019 meeting, GSC voted to grant the request of the Classis of Zeeland and bring the following recommendation to the General Synod for its approval. The Office of the General Synod has received confirmation from leadership of the two congregations, as well as both classes and both regional synods involved, that they consent to the transfer.

**EC 19-8**

To transfer Jusarang Church and Disciple Church of Atlanta, both in Suwanee, Georgia, with all their assets and liabilities, from the Classis of Zeeland, Regional Synod of the Great Lakes, to the Classis of Greater Palisades, Regional Synod of the Mid-Atlantics. (ADOPTED)

Reasons:

1. The General Synod has responsibility and authority to transfer churches from one regional synod to another (*BCO*, Chapter 1, Part IV, Article 2, Section 3 [2018 edition, p. 67]).
2. The consistory of Jusarang and the leadership of Disciple Church have asked for the transfer, believing the new classis alignment will better position the congregations for a stronger future of intentional service and witness to the gospel in their metropolitan context.
3. The board of the Classis of Zeeland and the executive committee of the Classis of Greater Palisades have affirmed the request for transfer, as have the Regional Synod of the Great Lakes and the Regional Synod of the Mid-Atlantics.

**Proposal Regarding New Method of Funding Denominational Work**

**COVENANT SHARES**

**A NEW WAY OF FUNDING MINISTRY**

Over the years, people from around the RCA—from church treasurers to General Synod delegates—have discussed the shortcomings of the current per-member assessment method of funding denominational work. In response to the limitations of this method, the General Synod Council named a committee to explore alternate funding methods. After much deliberation, the committee has developed an alternative to the per-member assessment method. This alternative method is *covenant shares*. 
Covenant shares are based on income. In this funding method, each classis would contribute a flat percentage of the contributions received by each church within its bounds.

Our desire is not that others might be relieved while you are hard pressed, but that there might be equality. At the present time your plenty will supply what they need, so that in turn their plenty will supply what you need. The goal is equality, as it is written: “The one who gathered much did not have too much, and the one who gathered little did not have too little” (2 Corinthians 8:13-15 NIV).

Values

The committee identified four values to be reflected in a new funding method. It would need to be:

- **Biblical**, reflecting the Bible’s emphasis on cheerful, generous, regular giving, and specifically on tithing as a percentage of income. We are called to live in community together and to contribute to the community that we are a part of.
- **Equitable**, allowing each church to support denominational work in accordance with its means.
- **Simple**, reducing the risk of error and confusion by using a straightforward formula.
- **Congregationally supported**, backed by churches throughout the RCA and easy for them to implement.

The income-based covenant shares method meets all four criteria. The new terminology also emphasizes the covenantal nature of our work together. As part of a denomination, we commit to sharing in the funding of our mutual ministry.

Shortcomings of Per-Member Assessments

The emphasis on encouraging church membership has changed over time, and it varies from church to church across the denomination. Membership rolls are not always regularly updated, and the number of members often differs from the number of people in worship, meaning that a church might be over- or under-paying relative to its actual attendance. Moreover, a church’s membership is not necessarily indicative of its ability to pay assessments.

This causes inequity in the amount that churches contribute via assessments to the denomination’s shared work. Under the current method, assessments as a percentage of contributions received ranged from 0.14 percent to 28 percent in the year 2017. This wide spread indicates that under the per-member method, the amount of assessments a church pays may not necessarily be in accordance with its means.

Contributions: the Basis for Covenant Shares

The covenant shares model is based on contributions, consisting of any gift received by the church, except for new endowment gifts. (Endowment gifts are excluded because of state laws restricting spending from endowment gifts.) Contributions include any gift to a church that’s considered a charitable donation: contributions for general operations, missions, and benevolence funds; special designated funds; estate gifts; and capital campaign gifts. After much consideration, the committee believes using contributions as the basis is a simpler and more equitable basis than using total income. Grants will not be considered contributions for the purposes of covenant shares.
Covenant Shares Percentage Rate

The percentage would be calculated by dividing the denominational funding need by the total amount of contributions reported on the Consistory Report Form (CRF), line 21 of Part 1b (2018 CRF). In 2017, the percentage of contributions necessary to provide the same total income to the denomination, the Board of Benefits Services, and theological agencies with the per-member assessment was 2.67 percent. The ten-year average was 2.73 percent. Eventually, we hope that the percentage rate will stay the same year after year. However, it may fluctuate slightly in the first few years as we adjust to the new financial reporting on the CRF.

The Impact

At the 2.67 percent rate, 294 churches would pay more than they are currently, and 511 churches would pay less. The average increase per church would be $4,000, and the average decrease would be $2,300.

The new method would be implemented gradually so that a church or classis would not be burdened significantly in one year. The change from the current method to covenant shares would be limited to changing by no more than 10 percent, either up or down, over the prior year’s assessments.

Additionally, after the first year of implementation, the change from year to year will be limited by 10 percent over the previous year. The limitations are in place in order to lessen the burden on a church due to one-time gifts, such as capital campaign or estate gifts, pass-through contributions, special mission trip funding, or significant growth.

To estimate how this alternative method would affect your church or classis, you may use the calculator available on the RCA website: www.rca.org/covenantshares.

What Would Covenant Shares Fund?

Just like assessments, covenant shares would make possible the following:

- Transformed & Transforming initiatives
- The work of the General Synod
- Denominational ministry support services
- Theological education
- The Board of Benefits Services (BOBS) assistance fund

HOW EACH DOLLAR OF GENERAL SYNOD ASSESSMENT IS USED

<table>
<thead>
<tr>
<th>Service</th>
<th>Per Dollar</th>
<th>Per Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformed &amp; Transforming</td>
<td>$0.33</td>
<td>$17.98</td>
</tr>
<tr>
<td>Work of General Synod</td>
<td>$0.30</td>
<td>$16.14</td>
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<tr>
<td>Ministry Support Services</td>
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<td>Theological Education</td>
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<tr>
<td>BOBS Assistance Fund</td>
<td>$0.04</td>
<td>$2.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1.00</strong></td>
<td><strong>$54.22</strong></td>
</tr>
</tbody>
</table>
What Do Churches and Classes Get for Paying Covenant Shares?

With your covenant shares, you participate in a covenant partnership with all those in the RCA, providing the means for the RCA to continue its mission to the world, to equip, support, and connect faith leaders and churches in the denomination. The denomination’s primary purpose is to do what the individual church cannot do on its own.

As a member of the RCA, you and your church have direct access to resources for ministry leaders in areas of discipleship, leadership development, outreach, volunteering, mission trips, global mission, next generation engagement, women’s leadership, church multiplication, and education around disability concerns and advocacy. Beyond resources for ministry, being a member of the RCA provides resources for the administration and financial aspects of running a church. These benefits include the Board of Benefits Services’ management of the RCA retirement fund; loans and savings options offered by the RCA Church Growth Fund; the denominational support provided through the offices of the archives, finance, and legal counsel; use of the RCA website; and the office of ministry support services for help during transitions in leadership.

You’re also contributing to the training of pastors and providing for church governance at the broadest level.

The RCA has a historic and lasting presence in the U.S. and Canada as a group of churches that possess a Reformed Christian worldview and is committed to extending God’s mission to the world. Members of the RCA share in a rich heritage that demonstrates the gospel in action. Ideas are circulated and shared among a wide group of believers who share in common tradition. That rich, shared heritage has had an impact around the world; everyone who belongs to the denomination owns that heritage and keeps adding to it.

General Synod Initiatives

In order to avoid General Synod voting each time a General Synod initiative requires additional funding, the committee suggests adding a small percentage, such as 0.1 percent, to the initial percentage to fund General Synod initiatives. For example, if the RCA needs 2.7 percent to fund the GSC, the Board of Benefits Services assistance funds, and theological education, then the GSC would request that the covenant shares rate be set at 2.8 percent. The GSC would put that 0.1 percent in a separate fund held specifically for General Synod initiatives. The costs of such initiatives would still be estimated as they are proposed in order to ensure that the General Synod initiatives fund would sufficiently cover the estimated costs. Any unused portion of the initiative fund balance would carry forward year to year.

Canadian Dollars

In order to remain consistent with the current practice for collecting assessments in Canadian dollars, Canadian churches will pay covenant shares as a percentage of income in Canadian dollars, plus a rate of 50 percent of a 12-month average currency differential between the U.S. dollar and the Canadian dollar. The RCA treasurer will calculate the average exchange rate for the prior 12 months as of June 30 each year.

New Church Starts

Currently, the membership of newly organized churches is assessed on a graduated formula based on R-51, approved by the General Synod in 2010. The classis is assessed
for the membership of newly organized churches based on the following formula: newly organized churches will pay 20 percent of the full assessment amount the first year of organization, 40 percent in their second year, 60 percent in their third year, 80 percent in their fourth year, and 100 percent in subsequent years. Under the new covenant shares method, the committee recommends following the same formula.

Feedback on the New Covenant Shares Method

The alternate funding committee presented this new method at several classis meetings and developed a page on the RCA website sharing information about the new covenant shares method. The overall response to a percentage of income system has been positive. Ninety-three participants completed a survey related to the new funding plan. Sixty-nine percent of those participants said that they would prefer an income-based assessment method over the current per-member system.

Process for Making This Change

This proposal includes one essential change to the Book of Church Order in order to implement the new covenant shares method. This required change is located in the General Synod bylaws (Chapter 3 of the BCO); amending the bylaws requires approval at General Synod and confirmation at a subsequent General Synod.

There are several places in Chapters 1 and 2 of the BCO that refer to assessments, but based on the premise that covenant shares is an income-based form of assessments, the new method can still be adopted without yet making changes in the BCO to every one of those references. In addition, a change in the wording in the BCO section related to union churches is quite complicated due to how it relates to the funding method of the other denominations involved in the union church. The Commission on Church Order will look at these references and will bring recommendations for any related changes it considers necessary in the year 2020. Any proposed changes to Chapters 1 and 2 of the BCO would require classical approval.

Regional Synods and Classes

Finally, the committee recognizes that it is up to regional synods and classes to determine their own method for funding themselves. However, we encourage the regional synods and classes to implement the same contributions-based formula when they calculate covenant shares/assessments and to implement the same method for newly launched congregations.

More Information

A Frequently Asked Questions document as well as a calculator tool for estimating how the change from per-member assessments to covenant shares would affect your congregation is available at www.rca.org/covenantshares.

Recommendations

The GSC brings the following three recommendations to the General Synod for approval:

EC 19-9
To replace the current per-member General Synod assessment funding method with covenant shares, a funding method based on a percentage of income. Under this funding
method, each classis will contribute a flat percentage of the contributions received by each church within its bounds to support the work of the denomination.

The General Synod will annually approve the percentage rate that classes will be charged for the following calendar year. The basis of the percentage rate will be contributions as reported on the Consistorial Report Form as of December 31 of the previous year.

The GSC will calculate the amount due from each classis based on the total contributions received by each church within its bounds, multiplied by the General Synod–approved percentage rate. The change in the total dollar amount of a church’s covenant shares from year to year will be limited to no more than 10 percent, either up or down, over the previous year’s assessments or covenant shares.

This new method will be implemented following final approval by the General Synod of the proposed change to the General Synod bylaws in EC 19-11. (ADOPTED)

A motion was made and supported to refer EC 19-9 as follows:

To refer the covenant shares proposal to the General Synod Council to take more time with discussing the impact on each classis and to address the proposal again at the 2020 General Synod.

A motion was made and supported to cease debate.

**VOTED:** To cease debate.

**VOTED:** To not refer EC 19-9.

A motion was made and supported to cease debate.

**VOTED:** To cease debate.

**VOTED:** To adopt EC 19-9.

*Review committee*

**EC 19-10**

To instruct the General Synod Council to name a covenant shares review committee to evaluate any specific significant issues relating to the new method during the first three years under the new covenant shares method. The committee shall also re-evaluate all aspects of the new covenant shares method after three years of collections have taken place under the new method. This committee will report significant issues and make recommendations to the GSC as it deems necessary. The committee will not have any authority to approve requests for relief from paying covenant shares nor
will it have authority to adjust the methodology of covenant shares.

This committee shall have at least four (and not more than seven) members, one of whom shall be the General Synod treasurer. (ADOPTED)

Change to the Book of Church Order

Making the shift to a covenant shares method of funding our work together will require a change to the *Book of Church Order*. In order to implement the new method, a change to the section of the General Synod bylaws that defines assessments as specific dollar amounts is required. This change is recommended here. Some other sections of the *BCO* that mention assessments require further research by the Commission on Church Order (CCO). Based on the premise that covenant shares is an income-based form of assessments, the new method can still be adopted without yet making changes in the *BCO* to every reference to the word “assessments.” The CCO will look at these references and will bring any related recommendations it feels are appropriate in the year 2020.

EC 19-11
To adopt the following amendments to the *Book of Church Order*, for submission to the 2020 General Synod for final approval (additions are underlined; deletions are stricken):

Chapter 3, Part I, Article 3

*Sec. 6. Responsibilities*

The responsibilities of the council shall be:

c. To prepare a budget to sustain the established priorities, ministry, and mission of the Reformed Church in America and propose an assessment to the General Synod. Assessments shall be a specific percentage of income dollar amounts voted by the General Synod, payment of which shall be mandatory. (ADOPTED)