
North America Forces General Conference Staff Cuts

by Evert McDowell

“My heart aches for you during these unsettling times. . . . Change is always difficult; and when it’s accompanied by so many unknowns, it’s even more disturbing. . . . Anita and I have been praying for all of you since we learned of our own revised plans.”

Robert S. Folkenberg was not referring to his new position as president of the General Conference, but was expressing concern for the approximately 390 people employed at the General Conference headquarters in Silver Spring, Maryland, many of whom were facing the loss of their jobs. The first personnel cutbacks in the institution’s history were starting to take effect. This was the beginning of the estimated \$2 million reduction in General Conference headquarters annual expenditures insisted upon by the North American Division. Further cuts are being discussed, with one scenario showing a final reduction in General Conference personnel of up to 40 percent. If this takes place it, will ultimately mean a new role for the General Conference.

In the current round of cuts, the Health and Temperance Department was hit the hardest. Prior to the General Conference Session in Indianapolis, it had eight elected positions. Six of these positions have been eliminated. The Communication Department dropped from three elected positions to one. Most other departments had reductions of one or two elected positions.

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Rumors of cutbacks at General Conference headquarters had circulated for months. Faced with decreasing tithe revenues, conferences and unions in the North American Division had made cuts of their own for over a decade. In the wake of the Davenport scandal of the 1970s and the Harris Pine fiasco of the 1980s, many North American Adventists became less willing to hand over their money to the church. Since the early 1980s, conferences in North America had tightened their belts by hiring fewer pastors and, in some instances, even letting pastors go. Costs were also reduced by increasing the size of the districts pastors had to cover—sometimes up to as many as five churches for one pastor. Like the unions, conferences cut back or eliminated certain office personnel and services. All the while, North America continued to pass on the same tithe percentage to the General Conference for the funding of its operations. Many in North America felt that they were being “squeezed at the bottom to help expand the top.”

At the 1985 General Conference Session in New Orleans, North America demanded that belt-tightening also take place at General Conference headquarters. As a result, the Commission on Personnel Reduction was set up to conduct an efficiency study and report on the personnel needs of the General Conference.

The study was completed and given to Neal Wilson. Subsequently, in 1985, an across-the-board hiring freeze was implemented. The Church Ministries Department was created by combining five previously separate departments. Employee cuts, however, were not implemented, and the re-

sults of the study were never released.

With continued budgetary pressures facing them, union and conference officials became increasingly frustrated with the apparent lack of action on the part of the General Conference. The same personnel sacrifices they had been forced to undergo were not being made at the the General Conference level. The frustration came to a head in November 1988, at the North American Division Year-End Meetings. Here conference and union officials pressured Wilson to implement the recommendations of the 1985 Commission on

Personnel Reduction. North American leaders felt that a message had to be sent to their constituents. As noted in the minutes, the consensus was that "The time has come when something must be done to give a clear signal to the constituency that less will be spent on internal operations and more on outreach programs. It is feared that failure to do this will result in the drying up of some sources of income."

It was voted:

"1. To request that the General Conference and the North American Division administrations

GENERAL CONFERENCE HEADQUARTERS ELECTED POSITIONS

<u>Administration</u>	<u>1985-1990 (Number of positions)</u>	<u>1990-1995(Net change)</u>
President	1	No change
General Vice Presidents	4	5 (+1)
Secretary	1	No change
Undersecretary	1	No change
Associate Secretaries	6	5 (-1)
Treasurer	1	No change
Undertreasurer	1	No change
Associate Treasurers	5	No change
General Field Secretaries	4	3 (-1)
Archives and Statistics	1	No change
Auditor	1	No change
Associate Auditors	8	No change
 <u>Departments, Associations, and Services</u>		
Adventist Chaplaincy Ministries	1	No change
Church Ministries	13	11 (-2)
Communication	3	1 (-2)
Education	4	3 (-1)
Health and Temperance	8	2 (-6)
Ministerial Association	4	No change
Public Affairs & Religious Liberty	5	4 (-1)
Publishing	3	No change
Trust Services	3	No change

present to the 1989 Annual Council a comparative report for the years 1985 and 1988 with the following data and pertinent information:

“a. A list of personnel including elected, non-elected, secretarial and other help, full and part-time, for every unit (departmental, administrative, and service organizations);

“b. A list, by category, of the cost of operation covering salaries, travel, health, all perquisites and allowances;

“c. A list of the functions, and actual services or materials developed by personnel.

“2. To require administration, when considering requests for personnel, services, and projects, to submit such proposals to the appropriate committee with full data, estimated costs, and source of funding.

“3. To request the General Conference and North American Division administrations to present a plan for implementing the recommendations of the 1985 Commission on Personnel Reduction.

“4. To request the conferences, through their unions, to present to the Administration of the North American Division and the General Conference a list of the services most appreciated and desired in order of priority.”

The North American Division made its report to the 1984 Annual Council in response to this action. However, the General Conference made no response. Instead, a few months earlier at Spring Council, Neal Wilson announced that Duane McBride, a professor in behavioral science at Andrews University, had been asked to do a personnel needs and efficiency study at an estimated cost of \$40,000. Some felt this study unnecessarily duplicated the efforts of the 1985 commission already presented to Wilson.

At the 1990 Spring Council it was announced that the McBride Report had been completed and that cuts would be made at the General Conference headquarters, with the goal of reducing elected staff by 20 percent. The cuts, which would reduce about \$2 million from the yearly operating budget of approximately \$168 million, would be achieved by eliminating positions, downsizing departments, and moving various

people to the North American Division. The savings, said Wilson, would then be put directly into Global Strategy. North America had consistently maintained that any cuts made by the General Conference must come from the headquarters alone, and not affect overseas divisions.

However, the full results of the McBride report were not released. Many of those who saw partial releases held conflicting interpretations of the report's recommendations. No department heads were notified as to how the report was going to affect the people working under them.

Not until the General Conference Nominating Committee met at Indianapolis did the results of the McBride Report become evident. Wilson prepared a document recommending cuts of specific positions and gave it to the nominating committee. Thus, for the first time in the history of the Seventh-day Adventist church, the nominating committee of the General Conference Session not only elected General Conference officials, but also became the agent for making personnel cuts at General Conference headquarters.

As of this printing, cuts are still being made to nonelected personnel at General Conference headquarters. The final tally is not yet available. The North American Division continues to study the personnel reductions it in turn will make. What it decides is crucial, as it will determine what and how many positions the division will assume from the General Conference.

Even more crucial, however, will be this fall's Annual Council where the North American Division will propose between a two and five percent cut in its annual tithe allocation to the General Conference. If adopted, this would mean as much as an additional \$10 million pared from the complex's operating budget. While this cut represents less than six percent of the complex's operating budget of \$168 million, a \$10 million reduction could have a tremendous impact on the headquarters itself. If a cut of approximately \$2 million results in a 20 percent reduction in elected staff, what staff reductions would be necessary with a five-fold increase in cuts? Surely, such additional reductions would ultimately affect the role and function of the General Conference.