

PRESIDENT'S

Report

PREPARING FOR THE 2023 WASHINGTON SALARY THRESHOLD INCREASE

At our UCC Executive Committee on April 28, 2022, we discussed the far-reaching implications of the 2023 Washington Salary Threshold implementation upon Upper Columbia Conference.

In 2019, Governor Jay Inslee and the Washington State Department of Labor and Industries established new guidelines regarding overtime pay, paid sick leave, and other requirements impacted by the state's Minimum Wage Act. These new guidelines affect who is considered "exempt" and what salary and benefits exempt employees can expect to receive.

Why am I hearing about this now?

While the implementation schedule began in July 2020 and increases every other January through 2027, the required changes begin to significantly impact UCC and our employees in 2023.

How does this impact Upper Columbia Conference?

For 2020-2022, the impact to UCC was minimal. However, the incremental increase in 2023 will begin to impact the Conference significantly. As required pay increases for all exempt employees, our expenses will soon begin to outpace income.

What is the Conference doing about it?

The Conference established a Washington Salary Threshold Committee in 2020 to determine the impact of these new guidelines on UCC. The committee consulted with colleagues from the North American Division, North Pacific Union Conference, Washington Conference, and legal

counsel. Based on these discussions, recommendations were submitted to the UCC Administrative Committee (ADCO). A plan was developed by ADCO, in conjunction with our Washington Salary Threshold Committee, our Administrative and Finance Committee, and was presented to the UCC Executive Committee on April 28 to proactively meet this challenge head on.

The following **5 Part Strategy** was voted by the UCC Executive Committee to help navigate the implications of the Washington Salary Threshold on our Conference:

- **Radical prayer** — We ask for your devoted prayers and financial support for our 2022 Tithe to exceed \$500,000 above budget. We need your faithful generosity to exceed \$28,600,000 in tithe in 2022.
- **Reserves** — To give us some breathing room, we will plan to use up to \$500,000 from our Conference reserves in 2023.
- **Reductions** — To create future financial sustainability, it was voted to reduce our work force by 5 full time employees, between the Conference office and field, in 2022. Wherever possible, these reductions will be made through attrition.
- **Re-status and re-district churches** — We will begin the process of developing a plan to better meet the needs of smaller churches and companies in remote locations, which includes balancing expectations for pastoral resources and serving the



Continued on next page

DAVID JAMIESON



ACTIONS TAKEN AT 4.28.22 EXECUTIVE COMMITTEE

Administration update

- David Jamieson, newly-elected UCC president, shared stories of healing, not only in his personal life, but also in the life of a close friend and colleague. He shared that our God is a God who heals. When we come into close proximity with God, He hears and He heals. Jamieson also shared that he has visited with all staff and ministries and is now working on visiting with all schools and churches. He is sitting with staff at all levels to listen and learn.
- Cindy Williams, UCC health ministries coordinator, gave a departmental report regarding her ministry area over the past few years. Reversing diabetes programs and training have been offered, along with other health classes. The recently completed AMEN conference featured Roger Seheult, MD, and David DeRose, MD, MPH. Williams is currently working on a program to address mental health and adolescents.
- Art Lenz, UCC director of information technology, shared a report from his department. Following the ransomware attack of 2020, server security for schools has been a significant priority. IT is currently developing a standardized technology package for all schools that will help increase efficiency.

Financial update

- Allee Currier, UCC vice president for finance, presented an update on conference finances.
- Tithe experienced a slight decrease in first quarter, but is still much higher than historical. Both February and March 2022 are lower than year-to-date 2021, but higher than the previous 6 years.

- Total expenses are operating under budget and within guidelines.

Education update

- Brian Harris, UCC vice president for education, gave an update from the office of education.
- Enrollment for the 2021-2022 school year stands at 1,919 students. These numbers reflect a ratio of 65% Adventists to 35% non-Adventists.
- Education is deep into their personnel season. Currently nine educators are outgoing with 13 educators incoming. One hundred and forty seven administrators, teachers, and staff members have been rehired for the coming school year.

Washington Salary Threshold

- An update was shared regarding the Washington Salary Threshold and its impact on UCC. The committee approved a five-pronged approach:
 - Prayers for 2022 tithe \$500,000+ above budget
 - Plan to use up to \$500,000 from reserves in 2023
 - FTE reductions – 5 in 2022, 2-3 in 2023
 - Re-status and re-district churches
 - Employee benefits review & analysis

Hispanic District and Pastoral Changes

- The committee approved district alignments and pastor adjustments for the following churches:
 - Hermiston Sp./Rekindle – Jefferson Ortiz
 - Kennewick/Richland/Pasco Sp. – Florencio Bueno
 - Grandview/Mabton/Sunnyside Sp. – Miguel Martinez
- Pendleton Spanish — Bible Worker led

2023 WASHINGTON SALARY THRESHOLD INCREASE...

Continued from previous page

spiritual needs of our members in innovative ways.

- **Review employee benefits** — Employee benefits will be reviewed with the goal to temporarily offset the increase in wages. Our goal is to limit, as much as possible, any negative impact to our employees.

We recognize that none of these strategies are going to be easy to implement and that we must approach this challenge not with a mindset of scarcity, but rather one of abundance.

We also fully believe that as we place our complete

trust and confidence in God, that He will ensure that the mission of the Upper Columbia Conference will continue to move forward in a mighty way for His honor and glory. The truth is that every problem or challenge that is presented is yet another opportunity for God's power and majesty to shine through!

As we work to bring One More to the kingdom, we ask for your prayers and faithful financial support.

For the full Washington Salary Threshold Implementation schedule for minimum wage as established by the State of Washington, see news.uccsda.org/WASalary522.



ACTIVE PASTORAL SEARCHES

- **New Movement – Pasco**
- **Diamond Lake/Edgemere/Newport**
- **Otis Orchards/Post Falls**
- **Sandpoint**
- **Walla Walla University (associate)**
- **Osburn/Plummer/St. Maries**
- **Wenatchee**