



**Northwest Washington Synod**  
**Evangelical Lutheran Church in America**  
God's Work. Our hands.

## **2027 Synod Budget**

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*He who supplies seed to the sower and bread for food will supply and multiply your seed for sowing and increase the harvest of your righteousness. You will be enriched in every way to be generous in every way, which through us will produce thanksgiving to God.*

- 2 Corinthians 9:10-11

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# 2027 Synod Budget

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## 2027 NORTHWEST WASHINGTON SYNOD BUDGET

This correspondence will submit the *2027 Synod Budget*, along with an analysis of revenues, expenses, and fiscal challenges facing the Synod.

### Budget Overview

Table 1 below presents a summary of the *2027 Synod Budget*, along with figures from the 2025 and 2026 budgets for comparison purposes. Total estimated revenue amounts to \$1,606,236, with projected expenses totaling \$1,810,427. An estimated \$204,191 of fund balance will be needed to balance the budget for 2027. The full, detailed budget appears as Figure 6 on pages 9-10.

The fiscal challenges the Synod faces in 2027 are similar to those faced in 2025 and 2026. Operating expenses exceed operating revenues by approximately \$200,000 annually. These gaps have been filled primarily by a one time revenues: “scrubbing” accounts looking for duplicate budget items (\$166,000, Salary Supplement), and revenue from the sale of property gifted to the Synod (\$100,000 Concrete Property). For the 2026 Budget, investment gains of \$167,000 have been booked. For 2027, it will be necessary to again book investment gains of at least \$100,000, and a yet undetermined \$100,000 in property sale revenue.

The strategy for dealing with this ongoing excess of operating expenses over revenue has been to build up fund balance, and draw down resources needed to keep the General Fund both in the “black” and above the 10% fund balance policy limit. A more detailed discussion of revenues, expenses, and the 10% policy follow this section.

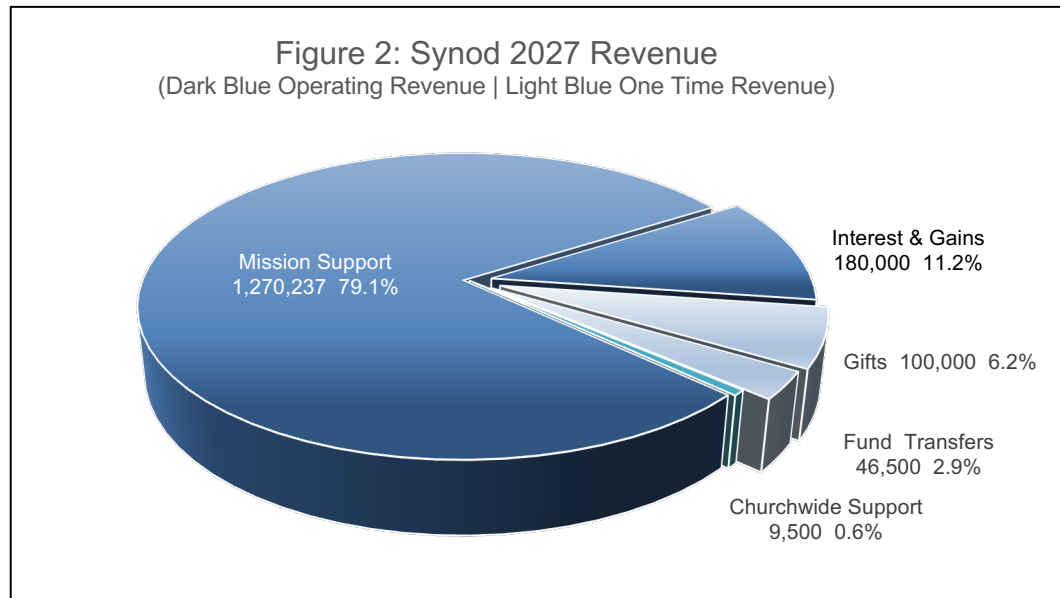
Figure 1: 2027 Budget Summary

| Item   | 2025<br>Actual   | 2026<br>Budget   | 2027<br>Budget   | \$ Δ<br>2027/2026 | % Δ<br>2027/2026 |
|--|------------------|------------------|------------------|-------------------|------------------|
| <b>Revenues:</b>                                 |                  |                  |                  |                   |                  |
| 01-501-00002 - Mission Support-NW                | 1,322,574        | 1,296,160        | 1,270,236        | (25,923)          | -2.0%            |
| 01-515-10002 - Support from Churchwide           | -                | 9,500            | 9,500            | -                 | 0.0%             |
| 01-512-00002 - Gifts                             | 237,334          | 32,500           | 100,000          | 67,500            | 207.7%           |
| 01-521-00002 - Interest Earnings                 | 80,267           | 130,000          | 80,000           | (50,000)          | -38.5%           |
| 01-522-00002 - Income Distributions              | 35,202           | 167,000          | 100,000          | (67,000)          | -40.1%           |
| 01-522-00012 - Open Doors Ministry Fund Transfer | -                | 1,200            | 1,500            | 300               | 25.0%            |
| 01-522-00022 - Designated Property Fund Transfer | -                | 45,000           | 45,000           | -                 | 0.0%             |
| 01-559-00002 - Fund Balance Transfer In          | -                | -                | -                | -                 | n/a              |
| <b>Total Revenues</b>                            | <b>1,675,377</b> | <b>1,681,360</b> | <b>1,606,236</b> | <b>(75,123)</b>   | <b>-4.5%</b>     |
| <b>Expenses:</b>                                 |                  |                  |                  |                   |                  |
| Total Boards/Committees/Task Forces              | 879,718          | 897,072          | 920,923          | 23,852            | 2.7%             |
| Total Wages & Housing                            | 496,038          | 527,574          | 543,401          | 15,827            | 3.0%             |
| Total Benefits                                   | 184,270          | 209,264          | 219,756          | 10,493            | 5.0%             |
| Total Miscellaneous Labor                        | 362              | 47,558           | 47,576           | 18                | 0.0%             |
| Total Travel                                     | 11,719           | 16,250           | 16,250           | -                 | 0.0%             |
| Total Administrative                             | 65,581           | 50,525           | 62,520           | 11,995            | 23.7%            |
| <b>Total Expenses</b>                            | <b>1,637,688</b> | <b>1,748,242</b> | <b>1,810,427</b> | <b>62,185</b>     | <b>3.6%</b>      |
| <b>Revenues Less Expenses</b>                    | <b>37,689</b>    | <b>(66,883)</b>  | <b>(204,191)</b> | <b>(137,308)</b>  | <b>205.3%</b>    |
| <b>Fund Balance</b>                              | <b>684,082</b>   | <b>617,199</b>   | <b>575,538</b>   | <b>(41,661)</b>   | <b>-6.8%</b>     |
| <b>10% Fund Balance Policy</b>                   | <b>163,769</b>   | <b>174,824</b>   | <b>181,043</b>   | <b>n/a</b>        | <b>n/a</b>       |
| <b>Difference</b>                                | <b>520,313</b>   | <b>442,375</b>   | <b>394,495</b>   | <b>n/a</b>        | <b>n/a</b>       |

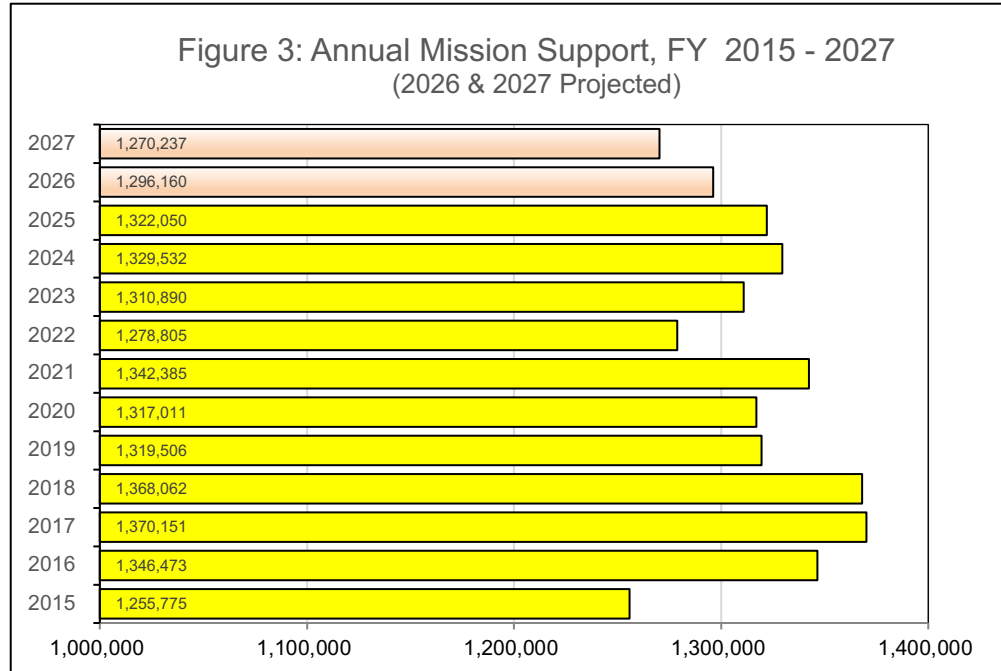
Staff have been asked on several occasions if this use of one-time funds to balance operating losses is sustainable. The answer is possibly, if the Synod continues to receive proceeds from the sale of property that has been surplussed by congregations. There is revenue potential associated with the Glendale and True Living Church properties.

*Revenues* Total 2027 revenue is estimated to be \$1,606,236, a decline of 4.5% from 2026. At 72% of total revenue, Mission Support is the Synod's largest source of operating revenue. It is projected to decline 2% from 2025 to 2026, and it is anticipated this trend will continue. A base 2% reduction has been built into the 2027 budget. While there are plans for a Synod wide fund-raising initiative which may positively impact Mission Support revenue, no fund-raising increase has been built in.

A breakout of revenue sources is presented in Figure 2 below. The darker blue sections represent operating revenues, while the lighter shaded sections represent one-time revenues.



To provide some historical perspective on Mission Support receipts, Figure 3 compares revenues from 2015 to 2027, with FY 2026 and FY 2027 being budget projections. The trend is quite clear: the Synod's major revenue source has slowly declined and is not keeping pace with increasing costs.



*Investments*

The second largest revenue source are Investment Earnings, which are made up of interest earnings and gains on investments. Interest earnings have fallen off fairly dramatically. In FY 2025 \$150,000 was budgeted, and \$80,267 was received. The adopted 2026 budget originally called for receipts of \$150,000. This amount was reduced via a budget amendment to \$130,000, which also appears too aggressive. The 2027 budget has dropped investment income to \$80,000. This portion of Interest Earnings is ongoing.

While interest income has fallen, investment gains have performed well over the past few years, and, prior to 2026, have not been budgeted. \$167,000 has been appropriated for 2026, and 2027 calls for an additional \$100,000 to be utilized. As of February, 2026, there remains approximately \$390,00 in unrealized investment gains. These are considered one-time funds, as gains and losses vary with market conditions.

*Gifts*

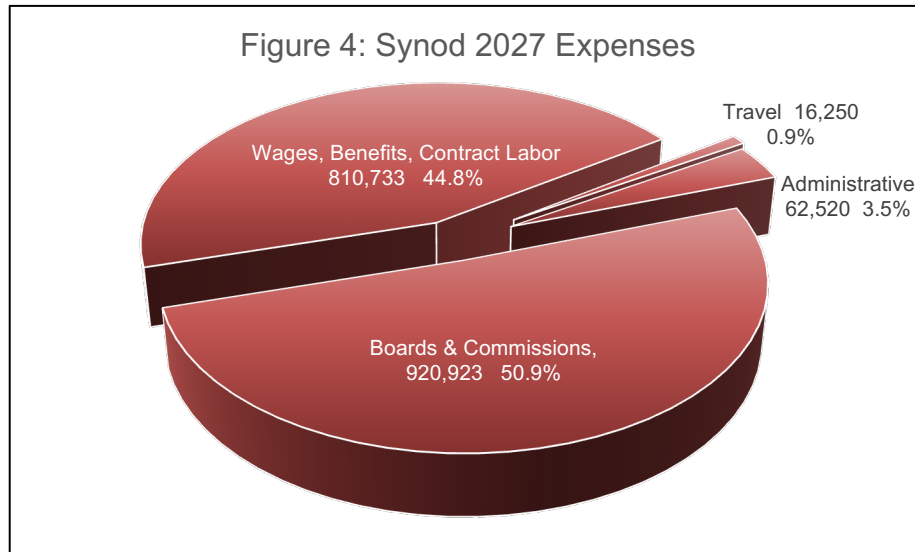
Gift revenue is predominately driven by contributions from congregations who have sold property and gifted a portion back to the Synod. It is difficult to predict, and the 2027 draft budget figure projects \$100,000.

To summarize the discussion of revenues, operating income has not been, and will most likely not be able, to support operating expenses. Approximately \$200,000 in one-time funds will be needed to balance future annual budgets. Use of General Fund balance, proceeds from property sales donated to the Synod, and investment gains are the most likely sources of revenue to potentially fill this funding gap.

Expenses

Total expenses in the 2027 Draft Budget amount to \$1,810,427, a 3.6% increase over 2026. This includes a 3% cost of living increase for both rostered and non-rostered employees, plus an approximate 2% wage increase due to longevity and education premium pay. Most

expenditure categories have either remained the same as presented in the 2026 budget, or increased to reflect actual costs incurred in FY 2025.



There are eight changes in General Fund expenses that deserve highlighting. These changes fall into three categories: Budget Increases, Restored Funding, and New Programs. These are listed below.

*Budget Increase*

Budget increases are recommended for two programs

- 1.) Churchwide 47% contribution increased to 48%: \$12,000. A request to increase Churchwide contributions by 1% was made to help deal with a projected \$6 million deficit.
- 2.) Reconciling Works: \$300 increase. This modest request for increased funding was made during the budget process, and staff felt it should be honored.

*Restored Funding*

Three programs whose funding was reduced in the 2026 budget, are recommended to have budgets restored to previous levels. These include:

- 1.) Pacific Lutheran Theological Seminary: \$25,200 to \$29,000. Funding was reduced during the 2025 Assembly, and it was felt services provided by PLTS warranted restoration of budget.
- 2.) Luther Seminary: \$25,200 to \$29,000. Funding was reduced during the 2025 Assembly, and it was felt services provided by Luther Seminary warranted restoration of budget.
- 3.) Church Wellness Network: \$9,167 to \$11,000. We could find no notes as to why funding for the Wellness Network was reduced. It appears it may have been a posting error. Funding restoration is recommended.

*New Programs*

The 2027 budget calls for funding three new programs.

- 1.) Lutherwood: \$1,500. This is to help support Lutherwood's programs for youth that have proved so valuable for their development.
- 2.) Bishop Transition: \$5,000. This is the first step in the creation of a fund to help facilitate the transition of Bishops and staff in 2031.

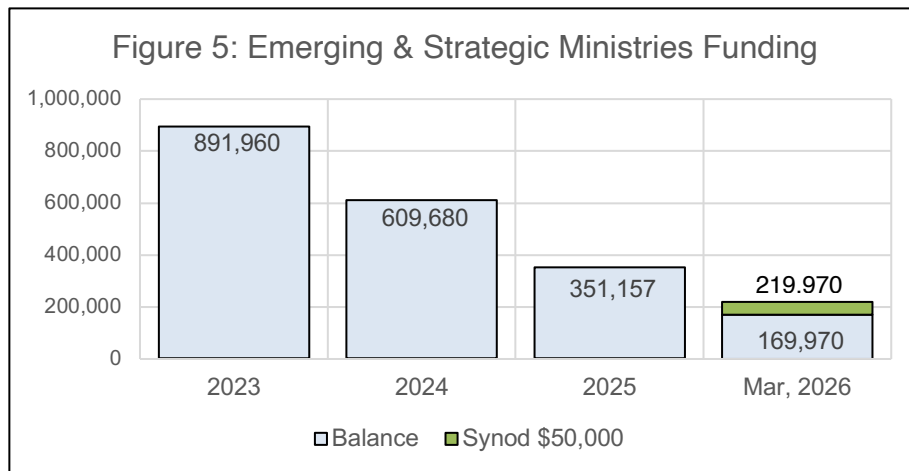
- 3.) Renton Condominium Insurance: \$3,400. Synod is responsible for insurance on the condominium, which has not been budgeted.

Even though expenses are projected to increase at a modest 3.6%, this pace is well ahead of revenue growth of -4.5%. And there is an additional area of expenditure concern largely outside the General Fund: Emerging and Strategic Ministries.

Emerging & Strategic Ministries

Funding for Emerging and Strategic has taken place outside the General Fund. A combination of fund raising and restricted donations created a pool of funds for this ministry. In 2025 these two accounts were combined to create the Emerging & Strategic Ministries Fund.

In 2023 almost \$900,000 was available to fund Emerging and Strategic Ministries initiatives. As of March, 2026, funds available had declined to \$219,970, which contained a \$50,000 contribution from the Synod. The figure below maps out this decline in available funds.



Clearly, funding for Emerging and Strategic Ministries will either run out, or come close to running out by the end of 2026, even with the infusion of another \$50,000 in Synod funds. Here is a list of some of the congregations who rely on funding from this source: Echoes (SAWC); El Camino de Emaus (SAWC); Emmaus Table @ 7400 Woodlawn (SAWC); Luther’s Table (SAOM); Love of Christ/ Grace Sammamish Hills (SAWC); Grace Chinese of South King County (SAWC).

In order to address declining revenue available for Emerging and Strategic Ministries, as well as potential future General Fund revenue shortfalls, it is recommended that the Synod convene a Financial Futures Taskforce to recommend steps that need to be taken to balance programs with available funding.

Financial Futures Taskforce

The concept behind Financial Futures Taskforce is to gather a small group of Synod stakeholders together to develop options for balancing Emerging & Strategic Ministries and General Fund programs with revenue under four scenarios.

- 1.) Current Revenue Outlook. This scenario will most likely involve recommendations to reduce or cut programs to balance future budgets.

- 2.) Current Revenue Plus Fundraising. This scenario increases current revenue by an amount raised through fundraising, potentially lessening the need for program reductions.
- 3.) Current Revenue Plus Property Sales. This scenario increases current revenue by an amount raised through property sales, potentially lessening the need for program reductions.
- 4.) Current Revenue Plus Fundraising & Property Sales. This scenario increases current revenue by an amount raised both through fundraising and property sales, potentially eliminating the need for program reductions.

Because of the immediacy of the Emerging & Strategic Ministries funding shortfall, it is recommended the Financial Futures Taskforce begin meeting shortly after May's budget adoption, and present their findings by September 15.

### How You Can Help

The Synod plays a vital role as an intermediary between congregations and Churchwide. Your Mission Support contributions help fund these efforts. Thank you to the congregations who faithfully give Mission Support dollars to the synod! Your Mission Support is helping our synod staff and council serve you in many ways:

- Partnering and walking alongside congregations through many seasons – in the call process, discerning a congregation's future, in times of conflict, in times of discernment, in times of visioning, and more.
- Journeying with candidates as they are educated and formed for ordained ministry.
- Cultivating leaders through Lay Ministry Formation, Fresh Expressions, LiVE, and more.
- Connecting and communicating with congregations, faith communities, and people through the NWWA Synod Weekly Update, Prayer Message, special events, and more.
- Supporting our ministry partners including UW and WWU campus ministries, Lutherwood, Paths to Understanding, Luther Seminary, Pacific Lutheran Theological Seminary, Pacific Lutheran University, Seafarers, and more.
- Standing up for justice and equity for all through our advocacy work with Faith Action Network, Dwamish Real Rent, Reconciling Works, and more.
- New ministries and new ways of being church through Synod Authorized Worshipping Communities (SAWCs), Fresh Expressions, Synod Authorized Outreach Ministries (SAOMs), Evangelical/Outreach, Church of Hope, and more.

And Mission Support goes beyond the NWWA Synod to ELCA Churchwide. We give 48% of what we receive to the wider Church to support:

- Vital ministries that will never be self-sustaining, like those on the Seward Peninsula of Alaska.
- Administrative costs for ELCA World Hunger and ELCA Disaster Relief so your donations go straight to relief.
- Young Adults in Global Mission (YAGM).
- Solidarity with our colleagues in the Evangelical Lutheran Church in Jordan and the Holy Land (ELCJHL).
- Ministries and outreach for new Christians and Christians harmed by other churches.
- Creation of our newest ELCA Social Statement: *Faith and Civic Life*.
- Administration of record keeping on a national level (it is hard to explain how valuable this is for synod staff members).

- Access to legal help on a national level (around buildings, personnel, navigating new national, state, and local policies and laws).
- And more!

Several congregations have asked what specific steps both they and their members can take to positively impact Synod finances. Here are three steps to consider.

- Submit payments to Synod via check or direct deposit rather than through Tithe.ly to save the approximately 3% processing charge.
- Consider increasing Mission Support by 1%.
- If your congregation is planning on selling or surplussing property, consider donating a portion of the proceeds to the Synod.

Closing Comments

This year's budget process has changed substantially. It is hoped that, by presenting a draft budget much earlier than usual, it has provided greater clarity about major fiscal issues confronting the Synod, and has given interested parties a greater opportunity to submit suggestions that have been incorporated into the budget presented before you.

We look forward to discussing the 2027 Northwest Washington Synod Budget with you during our April 30 online budget forum, and again for Synod approval on May 16.

Should you have any questions, comments, or feedback, please feel free to contact me via voice, text, or email at any of the contact methods listed below.

Blessings,



Dan Clements  
NWWA Synod Treasurer  
425.418.8755 | [treasurer@lutheransnw.org](mailto:treasurer@lutheransnw.org)

Figure 6: 2027 Budget Detail

| Item   | 2025<br>Actual   | 2026<br>Budget   | 2027<br>Budget   | \$ Δ<br>2027/2026 | % Δ<br>2027/2026 |
|--|------------------|------------------|------------------|-------------------|------------------|
| <b>Revenues:</b>                                 |                  |                  |                  |                   |                  |
| 01-501-00002 - Mission Support-NW                | 1,322,574        | 1,296,160        | 1,270,236        | (25,923)          | -2.0%            |
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| 01-512-00002 - Gifts                             | 237,334          | 32,500           | 100,000          | 67,500            | 207.7%           |
| 01-521-00002 - Interest Earnings                 | 80,267           | 130,000          | 80,000           | (50,000)          | -38.5%           |
| 01-522-00002 - Income Distributions              | 35,202           | 167,000          | 100,000          | (67,000)          | -40.1%           |
| 01-522-00012 - Open Doors Ministry Fund Transfer | -                | 1,200            | 1,500            | 300               | 25.0%            |
| 01-522-00022 - Designated Property Fund Transfer | -                | 45,000           | 45,000           | -                 | 0.0%             |
| 01-559-00002 - Fund Balance Transfer In          | -                | -                | -                | -                 | n/a              |
| <b>Total Revenues</b>                            | <b>1,675,377</b> | <b>1,681,360</b> | <b>1,606,236</b> | <b>(75,123)</b>   | <b>-4.5%</b>     |
| <b>Expenses:</b>                                 |                  |                  |                  |                   |                  |
| <b>Boards/Committees/Task Forces</b>             |                  |                  |                  |                   |                  |
| 01-603-00002 - Churchwide Support (47% > 48%)    | 621,451          | 609,195          | 609,713          | 518               | 0.1%             |
| 01-601-03132 - Lutheran Community Services       | 11,500           | 11,500           | 11,500           | -                 | 0.0%             |
| 01-601-03182 - Church Council of Greater Seattle | 1,000            | 1,000            | 1,000            | -                 | 0.0%             |
| 01-601-03202 - PLTS Support                      | 29,000           | 25,200           | 29,000           | 3,800             | 15.1%            |
| 01-601-03222 - Campus Ministries                 | 67,760           | 67,760           | 67,760           | -                 | 0.0%             |
| 01-601-03372 - Luther Seminary Support           | 29,000           | 25,200           | 29,000           | 3,800             | 15.1%            |
| 01-601-03462 - FAN Support                       | 8,000            | 8,000            | 8,000            | -                 | 0.0%             |
| 01-601-03512 - Paths to Understanding            | 5,000            | 5,000            | 5,000            | -                 | 0.0%             |
| 01-601-03522 - Real Rent (Duwamish)              | 1,200            | 5,000            | 5,000            | -                 | 0.0%             |
| 01-601-03532 - Racial & Economic Equity          | 2,400            | 5,000            | 5,000            | -                 | 0.0%             |
| 01-601-03562 - Reconciling Works                 | -                | 1,200            | 1,500            | 300               | 25.0%            |
| 01-601-03572 - Lutherwood                        | -                | -                | 1,500            | 1,500             | n/a              |
| 01-601-03582 - Bishop Transition                 | -                | -                | 5,000            | 5,000             | n/a              |
| 01-601-03592 - Renton Condominium                | 14,046           | -                | 3,400            | 3,400             | n/a              |
| 01-746-04502 - Church Wellness Network           | 11,000           | 9,167            | 11,000           | 1,833             | 20.0%            |
| 01-746-04502- Emerging & Strategic Ministries    | -                | 50,000           | 50,000           | -                 | 0.0%             |
| 01-746-00002 - Region 1 Center for Mission       | 78,361           | 73,100           | 76,800           | 3,700             | 5.1%             |
| 01-608-00002 - Boards, Committees & Task Forces  | -                | 750              | 750              | -                 | 0.0%             |
| <b>Total Boards/Committees/Task Forces</b>       | <b>879,718</b>   | <b>897,072</b>   | <b>920,923</b>   | <b>23,852</b>     | <b>2.7%</b>      |
| <b>Wages &amp; Housing</b>                       |                  |                  |                  |                   |                  |
| <b>Total Wages &amp; Housing</b>                 | <b>496,038</b>   | <b>527,574</b>   | <b>543,401</b>   | <b>15,827</b>     | <b>3.0%</b>      |
| <b>Benefits</b>                                  |                  |                  |                  |                   |                  |
| <b>Total Benefits</b>                            | <b>184,270</b>   | <b>209,264</b>   | <b>219,756</b>   | <b>10,493</b>     | <b>5.0%</b>      |

(Continued on next page)

Figure 6: 2027 Budget Detail, continued

| Item  | 2025<br>Actual   | 2026<br>Budget   | 2027<br>Budget   | \$ Δ<br>2027/2026 | % Δ<br>2027/2026 |
|---|------------------|------------------|------------------|-------------------|------------------|
| <b>Miscellaneous Labor</b>                    |                  |                  |                  |                   |                  |
| 01-653-00012 - Contract Labor                 | -                | 47,200           | 47,200           | -                 | 0.0%             |
| 01-660-00002 - Unemployment Insurance         | 362              | 358              | 376              | 18                | 5.0%             |
| <b>Total Miscellaneous Labor</b>              | <b>362</b>       | <b>47,558</b>    | <b>47,576</b>    | <b>18</b>         | <b>0.0%</b>      |
| <b>Travel</b>                                 |                  |                  |                  |                   |                  |
| 01-671-00002 - Staff Travel                   | 8,696            | 12,250           | 12,250           | -                 | 0.0%             |
| 01-671-16002 - Staff Travel-Outside Synod     | 2,177            | 3,500            | 3,500            | -                 | 0.0%             |
| 01-671-16102 - Staff Meetings & Dinners       | 913              | 500              | 500              | -                 | 0.0%             |
| 01-671-16202 - Staff Auto Reimbursement       | 46               | -                | -                | -                 | n/a              |
| 01-671-16302 - Staff Assembly, Conf & Retreat | -                | -                | -                | -                 | n/a              |
| 01-671-50002 - Travel-DEM expenses            | (113)            | -                | -                | -                 | n/a              |
| <b>Total Travel</b>                           | <b>11,719</b>    | <b>16,250</b>    | <b>16,250</b>    | <b>-</b>          | <b>0.0%</b>      |
| <b>Administrative</b>                         |                  |                  |                  |                   |                  |
| 01-601-03312 - Archives                       | -                | 720              | 720              | -                 | 0.0%             |
| 01-677-00002 - Hospitality                    | 96               | -                | -                | -                 | n/a              |
| 01-702-00002 - Postage                        | 310              | 365              | 400              | 35                | 9.6%             |
| 01-720-00002 - Supplies & Materials           | 883              | 1,900            | 1,900            | -                 | 0.0%             |
| 01-730-00002 - Printing & Duplicating         | 5,036            | 2,280            | 5,000            | 2,720             | 119.3%           |
| 01-747-00002 - Phone & Online Services        | 12,830           | 11,850           | 14,000           | 2,150             | 18.1%            |
| 01-750-00002 - Insurance                      | 4,946            | 4,200            | 6,000            | 1,800             | 42.9%            |
| 01-771-00002 - Resource Materials             | -                | -                | -                | -                 | n/a              |
| 01-775-00002 - Miscellaneous                  | 8,677            | -                | -                | -                 | n/a              |
| 01-779-00002 - Staff Development              | 5,000            | 5,000            | 5,000            | -                 | 0.0%             |
| 01-830-00002 - Occupancy & Utilities          | 25,118           | 24,210           | 27,000           | 2,790             | 11.5%            |
| 01-831-00002 - Office Remodel                 | 2,686            | -                | 2,500            | 2,500             | n/a              |
| <b>Total Administrative</b>                   | <b>65,581</b>    | <b>50,525</b>    | <b>62,520</b>    | <b>11,995</b>     | <b>23.7%</b>     |
| <b>Total Expenses</b>                         | <b>1,637,688</b> | <b>1,748,242</b> | <b>1,810,427</b> | <b>62,185</b>     | <b>3.6%</b>      |
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| <b>10% Fund Balance Policy</b>                | <b>163,769</b>   | <b>174,824</b>   | <b>181,043</b>   | <b>n/a</b>        | <b>n/a</b>       |
| <b>Difference</b>                             | <b>520,313</b>   | <b>442,375</b>   | <b>394,495</b>   | <b>n/a</b>        | <b>n/a</b>       |