

Special Commission to Study Diocesan Investments Episcopal Diocese of Maine

Historic Narrative

In 1849, the Maine Legislature adopted Chapter 229 of the Private and Special Laws of Maine. This legislation, formally titled *An Act Incorporating the Trustees of the Fund for the Support of the Episcopate of the Protestant Episcopal Church, in the Diocese of Maine*, established the investment mechanism for the continued financial support of the ministries of the Church. At that time, the only way to legally incorporate an entity was by act of the Legislature; the Model Corporate Formation Acts were still quite a ways off, so this is how corporations were formed.

In late 2022, a devout group of parishioners from and St. Brendan the Navigator in Deer Isle, St. David's in Kennebunk and others who were also members of the Episcopal Diocesan Racial Justice Council and the Episcopal Diocesan Climate Justice Council (now called the Creation Care Team) and the Maine Chapter of the Episcopal Peace Fellowship began leading a discussion regarding how the Trustees of the Episcopal Diocese of Maine conduct their work, and how we can discern how our investments reflect the teachings of our faith.

By February, the word had been sent to all the Justice Councils of the diocese, and the discussions began in earnest to craft a Call to Action to frame the expectations of members of the Episcopal Diocese of Maine regarding the morality of investments made in the name of the church.

With the endorsement of the bishop, that work went through several iterations and grew from a Call to Action to an enacted resolution at Maine's 204th Annual Diocesan Convention on November 11, 2023; that resolution read as follows (copy with attachments [here](#)):

RESOLVED; We affirm the fervent hope and desire of this Convention that the Trustees of Diocesan Funds, an entity which was created under a Private and Special Law of the Maine Legislature enacted in 1849 (Exhibit A), regard their work in managing the investments of the Diocese with prayerful thoughtfulness when considering entities with which they entrust these funds so that the work of Episcopalians for justice, fairness, world peace, and the rehabilitation and care of the Earth's environment is always among the most important of investment criteria they contemplate; and be it further

RESOLVED: That the Bishop appoint a Special Committee, including representatives from Justice Councils, the Standing Committee, and Diocesan Council and Trustees of Diocesan Funds to discuss the Call to Action (below) and the Private and Special Law under which the Trustees of Diocesan Funds exist, and to report to the 205th Diocesan Convention (in 2024) its conclusions and

recommendations, including any appropriate resolutions for consideration by the Convention.

Adopted at the convention, the bishop began the process of putting the commission together immediately, and by December was interviewing potential co-chairs. In addition, the diocese put out a call for nominations for commission members. By midwinter the work of assembling the commission was completed, and the bishop named the following to the special commission:

- Bishop Thomas Brown, ex officio
- Matthew Dunlap, St. James', Old Town, Chair of Committee on Indian Relations; CO-CHAIR
- Rev. Elaine Hewes, rector at St. Brendan the Navigator, Deer Isle, member of the Creation Care Team
- Randi Hogan, Cathedral Church of St. Luke, Portland
- Audrey Klein-Leach, St. Margaret's Belfast
- Carlos Mello, Trustee of Diocesan Funds, St. Thomas' Camden CO-CHAIR
- Liz Parsons, Cathedral Church of St. Luke, Portland
- Tom Van Buren, St. Brendan the Navigator, Deer Isle, member of the Racial Justice Committee
- Stephen Ward, St. Andrew's, Newcastle, member of the Committee on Indian Relations and Creation Care Team
- Nancy Whitehouse, St. Paul's, Brunswick

Ted Kanellakis was also an early and devoted member but had to step away for personal and logistical reasons.

The commission framed out its meeting schedule to include April 12, May 10, June 7, July 24, September 11, and October 11, with an additional date of October 30 if required.

The commission, in its meetings, focused its work on the *spiritual aspect* of money as a tool for our ministries. We focused deeply inward regarding our personal relationships with money, investments, nurturing ourselves and our communities, and the corrosive aspects of how wealth can dominate our lives. And then, we contemplated the nature of investiture, and the practice and process of investing as contemplated by the Trustees of Diocesan investments.

As a group, we did not hesitate to inquire of and challenge each other. We reflected on the history of socially responsible investments through environmental, social and governance investing, while never losing sight of the reality that many small parishes depend on the quarterly distribution from the Trustees' work for their ability to remain financially viable.

We discussed the advantages and disadvantages of investments in certain broad areas, and the power of investing to promote positive change by supporting sustainable energy and lifting up aspects of society.

In every discussion our work revolved around *transparency*. We found agreement that the original concerns had emerged primarily because of a perceived lack of accountability of the Trustees to the larger diocese in its diffuse parts and the difficulty to be found in accessing information about the work of the Trustees.

For their own part, too, the Trustees have not been passive in any way. Indeed, the Trustees have been proactive in their own examination of their work, and much of what follows below has been adopted by the Trustees insofar as they are able to act within their current authority.

We found significant and general agreement that the Trustees should transmit the information regarding their work with regularity and in detail; that the Trustees be subject to term limits, and that capable members of the Episcopal Diocese should feel welcome to stand for selection as Trustees as terms expire at the annual convention; and that information regarding diocesan investments be readily available and vectors established for parishioners to ask questions with expectation that those questions be answered; and that the diocese develop a long-range capital and financial plan to help guide the Trustees in investment planning. Further, we developed language for a resolution that would embrace the following:

- The Trustees regularly publish the specific, individual investment holdings within the Diocesan Funds
- The Trustees formerly adopt and prohibit investment in “Companies Subject to No-buy Portfolio Restrictions” as established by the Corporate Social Responsibility Committee of The Episcopal Church
- Wherever prudently possible, the Trustees invest Diocesan Funds in environmental and socially responsible investments
- Currently, parishes are allowed to allocate their funds between fixed-income and equity investments. We recommend parishes be able to further allocate their funds between the Environmentally and Socially Responsible Investments and general equity portfolios administered by the Trustees
- The Diocese develop a long-range capital and financial plan to help guide the Trustees in investment planning
- In addition to the review of investment policies and manager performance, periodically review the ethical issues associated with diocesan investments
- Consider the development of an environmentally and socially responsible impact fund to invest in diocesan mission critical areas (such as, affordable housing, food security, education attainment, climate resilience, etc.). Such investments would be managed outside the current portfolio of Diocesan Funds and would be eligible for parishes to invest in on a voluntary basis

- That the bishop appoints people who will keep the question of “alignment with Christian values” open and ongoing, thereby continuing the work begun by the Investment Commission

It does not seem necessary, for the fulfilment of this work, to recast the authority of the Trustees under the Private and Special Law that created them. In terms of long-term monitoring and follow-up, it isn't clear that more than the transparency of reporting and interaction described above need be required as a product of our review. We all share the goal that the parishes of the Diocese of Maine not only be well-served in the sustenance of their work made possible by the gifts and talents of their parishioners as amplified by the investments marshalled by the Trustees, but that the workings of that trust be accessible to them as vigilant adherents to our shared faith. This is the nature of the work we have shared.

Such work, it may be observed, is never entirely completed. Diligence and curiosity will always elevate the work of the diocese in general and the Trustees in particular, and we have faith that the Lord will continue to shape our work and guide our hearts and hands going forward.