

**Report on GNJ's Financial and Non-Financial Commitments in the BSA Settlement**  
**January 26, 2022**

**Rob Zuckerman, CFO/Treasurer**

In the Boy Scouts of America (BSA) bankruptcy filing, there were more than 82,000 claims of sexual abuse occurring since 1940, several thousand of which are alleged to have taken place in United Methodist-chartered Boy Scout troops and Cub packs. As a result of these many claims, the BSA has filed for bankruptcy. Currently, the court is seeking a settlement with a variety of parties. These include chartering organizations and groups that allowed the use of their facilities by Boy Scout troops, such as schools, churches, and other public and private organizations. The United Methodist Church has had a team of lawyers working on behalf of our churches and annual conferences to achieve a comprehensive settlement that includes not just a financial settlement, but also a significant survivor care component.

By now, I am sure you have heard that a settlement has been reached between the UMC and Boy Scouts of America in the bankruptcy case. Please note that there are still several steps to take before there is a final judgement, including the court approving the settlement and the expected appeals thereafter. Nevertheless, it is incumbent for us to proceed in good faith to discern how to fulfill our annual conference commitment to the provisions of the settlement.

United Methodists have long been leaders in providing hope, healing and renewal in the world. Our ministry has a greater impact in the world because we serve together, and we support one another. Connectionalism is a gift and strength of United Methodism.

The United Methodist Church does not tolerate sexual abuse in any form. We grieve for those who have experienced such abuse and take seriously our responsibility to persons who have been victimized as part of a Scout troop sponsored by a United Methodist congregation. Together, United Methodists must address any harm and work to aid survivors in the path to restoration.

Over the last year, United Methodists have engaged and led in the mediation process by putting the survivors first in each mediation session and calling everyone to work together to achieve a fair and just settlement.

Terms of settlement agreement that has been reached:

1. Provide an opportunity for survivors to share their experiences and hopes for the church.
2. Publish a series of articles about the Boy Scout bankruptcy case and the sexual abuse of young people in denominational publications and U.S. annual conference communication resources.
3. Review all Safe Sanctuary/Ministry Safe policies and procedures for congregations in the U.S. to ensure they are up to date and are being followed.
4. The Methodist Church in aggregate has committed to raise \$30 million settlement to contribute to the Survivor Trust Fund. This contribution would be 1% of a \$3 billion settlement.
5. Ensure that all BSA chartered organizations receive a release for Boy Scout-related claims. While United Methodists have the capacity to organize and have legal representation, most chartering organizations do not. Small community nonprofits, small denominations (including sister denominations of the Pan-Methodist Commission), parent-teacher associations, grange halls

and many other chartered organizations were not represented in the mediation process, leaving them vulnerable to future lawsuits. Our United Methodist mediators advocated for their release from BSA claims, not only to assist them but also to help ensure that scouting will be able to continue. As part of securing the release for all charter organizations, United Methodists committed to raise an additional \$100 million from chartering organizations we helped to obtain a release. This is a good faith effort and the \$100 million is a goal, not a guarantee.

6. The Methodist Church will provide a representative to the survivor working group that will work to make Scouting and youth programs safer for young people.

Throughout our history, United Methodists have committed themselves to stand alongside other United Methodist congregations, whether they were in the next county or on the other side of the world. Our polity, our Book of Discipline, our history and tradition all speak to the fact that we are responsible for and to one another. **We need each and every church to be committed right now to the common good and specifically the connectional bond.**

#### **Vasanth Victor, Chair of CFA:**

United Methodists as a whole have committed to raise \$30 million to contribute to the Survivor Trust Fund as part of the settlement.

Every annual conference in the UMC has claims against its churches. The churches which have been identified as places where these extremely harmful abuses occurred are in every jurisdiction in the United States, and no annual conference is without some local churches named in the abuse claims. Some conferences have many, some have fewer. Allocations to individual annual conferences was done based on the number of valid non-duplicated claims facing the particular conference as a percentage of the total valid non-duplicated claims across the denomination.

GNJ had 35 non-duplicated claims prior to 1976 facing it and GNJ's share of the \$30M amounts to \$910,420; this ranks us as being tied for 13th place with 2 other conferences out of 52 conferences. The fact that GNJ is slightly on the higher end with respect to claims amongst annual conferences is not surprising given that NJ is where scouting first took root in the nation and flourished earliest. Keep in mind the cost of merely defending a single claim could exceed \$250,000 and that cost doesn't even include settlement amount.

It will be a denominational effort to provide the funds for the settlement. United Methodists are a connectional people. It is in our DNA. We believe that together we can do more than any one church can do on their own. We believe together we are stronger in the face of any challenge we might face.

Some may ask, "but our church never chartered a BSA troop or even allowed them to use our facilities so why should we help resolve this issue?" We answer, "We are all part of one connectional family that is the UMC, and we need each other's support." This is no different than natural disasters like floods, hurricanes, or wildfires or like Superstorm Sandy when not only we but congregations all across the U.S. stepped forward to help us – when faced with traumas of any kind where our churches and their communities need our united help to move forward, we work together to assist one another. When all

churches in the connection work together on this settlement, we are saying to the claimants and to our world: “The United Methodist Church cares about healing the harm that was done and restoring the lives of God’s children in whatever ways we can.”

As Rob mentioned, part of the settlement agreement includes a release for all BSA chartered organizations. To achieve this release, United Methodists have agreed to assist as mentioned earlier in raising an additional \$100 million from other charter organizations so that they will be able to continue serving young people through Scouting. Please note that this is an agreement to make a good faith effort on this front, not a contractual obligation to raise any particular amount.

**Kay Dubuisson, Chair of Connectional Table:**

We are proud that our mediators ensured a feature unique to our settlement agreement that went beyond just a financial contribution, to include efforts to care and provide healing for survivors and to continue to make scouting an even better experience. To this end, GNJ will:

1. Recruit leaders to listen to survivors’ experiences as we provide opportunities for healing and learning. The United Methodist BSA Bankruptcy Leadership Team will review the survivors’ stated hopes for incorporation in United Methodist practices and procedures to make Scouting and other ministries safer for young people.
2. Publish a series of articles about the Boy Scout bankruptcy case and the sexual abuse of young people in the GNJ conference’s communication resources (such as the Relay and Digest).
3. Review all Safe Sanctuary/Ministry Safe policies and procedures for congregations in the U.S. to ensure they are up to date and are being followed. It is important that these policies be properly implemented in our churches – not merely remain documents on the shelf.

**Matt Enzler, Chair of the Board of Trustees:**

As GNJ leadership discerned about our commitment, it was a unanimous decision amongst various leaders in GNJ, including the Chairs of the Board of Trustees, the Council on Finance and Administration, Communications/Connectional Table, and our Superintendents, that they agreed upon our commitment toward the Settlement, inclusive not just of financial obligations, but also of our listed actions, taking the form both of repentance from past sins, but also protection going forward ensuring that we do everything in our power to prevent future harm and are fair and just. More than that, however, we all agreed that these actions are indeed our moral, and ethical obligation; as we bear witness to Christ in this settlement. As this Settlement seeks to remediate past wrongs, as well as takes steps to prevent future wrong, we fully support the settlement.

It is important that you understand what, exactly, we voted on, as well as what our future conversations will consist of, and the authorities we relied upon in carrying out these voted.

First, with respect to authorities, Last fall, at the Adjourned Session of Annual Conference, you may recall we passed a Designated Fund Legislation and shared the related policies & procedures. Part of that policy and procedure allows for the “Emergency Use of Funds” for designated funds if a super-

majority of 75% of both the GNJ Board of Trustees and the Council on Finance and Administration approve the use of funds on an emergency basis.

At both of these meetings, the status of the proposed Settlement was discussed and understood, as well as all tenets of the Settlement, including the \$910,420 financial obligation, as well as the required actions that the United Methodist Church would be pledging to carry out to both repent and protect. Our understanding is that this is a pledge that we (the overall UMC) both have the means to, and will fulfill these obligations at the time the settlement becomes a lawful court order.

The Board of Trustees met on Tuesday, January 11th, and voted unanimously to affirm the pledge. The Council on Finance and Administration met on Thursday, January 20, and voted unanimously to affirm the pledge.

In affirming this pledge, we affirmed the emergency use of funds to fully fund this pledge at the time the settlement is entered, with the understanding that the Settlement may yet be amended by the court, and/or may be subject to multiple appeals. Lastly, I should note, both the Board of Trustees as well as the Council on Finance and Administration expect to have further conversation on funding this settlement at our regularly scheduled May 2022 Annual Conference, to affirm a plan of how congregations might participate and review how the financial settlement will ultimately fit within the ongoing budget and financial objectives and goals of the Greater New Jersey Annual Conference.

**Eric Drew, Director of Connectional Ministries:**

I give thanks for our leaders and their strong position to meet this moral and ethical obligation. As you have heard, there has been good work done across the UMC and within GNJ.

When these leaders gathered to decide how GNJ would participate in the settlement, we shared our collective belief in the power and importance of connectionalism. When people hurt, United Methodists help. We will declare together that responding to the harm done and caring for vulnerable people in our programs and communities is important to us all.

We have already heard from churches and leaders that they want to be a part of the healing process and contribute to the Survivor Trust Fund. While CFA and the Board of Trustees have already moved so that GNJ can contribute to the financial settlement expediently, we will call all churches to make a financial contribution.

We are convening a team including District Superintendents, the CFO/Treasurer, the Chair of CFA and others to discern how local churches will contribute to GNJ's share of the settlement amount. This will be presented at the May 2022 Annual Conference Session. At this time, it has not been decided how the churches will contribute to the \$910,420 though whatever the contribution is determined to be it is likely to be over a 2-3 year timeframe to minimize the financial impact on any congregation.

We will also convene a team to review GNJ's non-financial commitments. These include a review of all Safe Sanctuaries policies, sharing articles about the BSA case and sexual abuse prevention, and arranging listening sessions so that we can hear from survivors of abuse.

One additional step for some of our churches will include updating a Relationship Statement or facilities use agreement in lieu of a chartering agreement. As you remember, the BSA Leadership Team for the UMC recommended keeping all charter agreements in place until March 31. They have continued to work with leadership of United Methodist Men, Boy Scouts of America, chancellors of Annual Conferences, insurance companies and others. We expect that an updated agreement will be made available before the March 31 deadline so that local churches are able to update and renew their agreements with cub packs and scout troops.

I join you in praying for survivors of sexual abuse and committing to lead differently. Together we will make a difference for survivors and generations of young people to come through scouting and the church.