

MATERIALS AND EXHIBITS

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ANNUAL MEETING AGENDA

Thursday, April 28, 2010, 8:00 am to 9:45 am
 Meeting Regency Ballroom ABC
 Hyatt Regency Sacramento, Sacramento, California

♦ A plated breakfast will be served at 8:00 am. ♦

- I. **Call to Order**
 Dr. Patricia Savage, Chairperson, LSA Board of Directors
- II. **Devotions**
 Dr. Steed Davidson, Assistant Professor of Old Testament, Pacific Lutheran Seminary
- III. **Approval of Agenda** **RECOMMENDED ACTION**
That the Agenda for the 2010 LSA Annual Meeting be approved as presented.
- IV. **Minutes of April 30, 2009 LSA Annual Meeting (page 3)** **RECOMMENDED ACTION**
That the Minutes of the 2009 LSA Annual Meeting be approved as presented.
- V. **Report of the Chairperson**
 Dr. Patricia Savage
- VI. **Report of the President and CEO** *(Please see back pocket of this program folder.)*
 Jill Schumann, President and CEO, Lutheran Services in America
- VII. **Financial Report for LSA Fiscal Year 2009 (page 8)**
 Bob Tuttle, Chair, Audit Committee
- VIII. **Presentation: LSA Fiscal Year 2011 Budget (page 26)** **RECOMMENDED ACTION**
 Kathleen Elliott Chillison, Treasurer, LSA Board of Directors *That the LSA Fiscal Year 2011 Budget be adopted as presented.*
- IX. **Report of the Board Member Nomination Committee (page 30)** **RECOMMENDED ACTION**
 Chris Andersen, Chair, Board Member Nomination Committee *That John Bauer, Wendy Goldstein and Linda Timmons be elected as Class A Board Members for three year terms (July 1, 2010 – June 30, 2013)*
- X. **Recognition of Board Service**
 Newly-Elected Board Officers *(New Officers begin service on July 1, 2010.)*
 Departing Board Members Chris Andersen, Mark Peterson, Patricia Savage
- XI. **Invitation to the 2011 Annual Conference** Wednesday-Friday, May 4-6, 2011, Milwaukee, WI
- XII. **Adjournment of Meeting**
 Dr. Patricia Savage

Minutes of the 2009 Annual Meeting

of the Membership of Lutheran Services in America, Incorporated
 Thursday, April 30, 2009, 8:30 – 9:45 AM
 Hyatt Regency Washington on Capitol Hill, Regency A, Washington, DC

I. Call to Order

Patricia Savage, Chairperson of the LSA Board of Directors, announced the presence of a quorum for the Meeting and called the Meeting to order at 8:40 AM.

II. Approval of Agenda

Motion

ADOPTED

That the Agenda for the 2009 LSA Annual Meeting be approved as presented.

III. Minutes of April 24, 2008 LSA Annual Meeting

Motion

ADOPTED

That the Minutes of the 2008 LSA Annual Meeting be approved as presented.

IV. Called to Love and Serve Our Neighbors

The Rev. Dr. Rebecca Larson, Executive Director, Church in Society, Evangelical Lutheran Church in America, and a member of the LSA Board of Directors, engaged the membership with theological perspectives on the theme of the Conference, the call to love and serve our neighbors. She noted that the theme is both shorthand, and motivation, for the work of Lutheran social ministry. Central to Lutheran understanding is justification by grace through faith which sets people free to love and serve the neighbor. She examined the concept of grace in many different languages. To be Lutheran is to be the body of Christ in the world practicing grace, particularly with the most vulnerable. To be Lutheran is to love and serve the neighbor.

V. Report of the Chair

Patricia Savage asked the membership to join her in thanking the LSA President and CEO, Jill Schumann, for her exemplary leadership and the LSA staff for their rich work with members. She noted the high regard with which LSA is held on the national scene, shared her experience of being invited by LSA to attend the Presidential Inaugural Prayer Service at the National Cathedral, and touched on several stories from LSA social ministry organizations that embodied the call to love and serve the neighbor. Dr. Savage ended by thanking the Board for their fine efforts, and the membership for their vital role in the vocation of Lutheran social ministry, and their work together in LSA.

VI. Report of the President and CEO

Jill Schumann referenced her written report and focused on several key areas:

Five Ends – Motivated and sustained by God’s call to love and serve the neighbor:

- *Lutheran social ministry organizations are healthy and vital, engaged in effective service and advocacy*
- *Lutheran social ministry organizations live out their Lutheran identities*
- *The Lutheran social ministry system has integrated, results-driven capacity*
- *Lutheran social ministry expresses a spirit of possibility and a will that shapes the future*
- *LSA and its members, in partnership with others, are leading a movement of hope and grace toward a society that values generosity, inclusion, justice and mutual care*

Four Themes for the Coming Year

- *Financial strategies for lean times*
- *Collaboration as art and science*
- *Linking service and advocacy*
- *Technology as enabler*

Three Competencies

At the national level, LSA will be mobilizing in new ways around the following competencies:

- *Process* – convening, facilitating, partnering, consulting
- *Knowledge* – Lutheran social ministry, leadership development, emerging issues
- *Leverage* – expertise, relationships and energy – becoming “connectors extraordinaire” with LSA and many partners

Two Thoughts

- *Hope* – There are many secular discussions of hope these days, but as people of faith, hope is built on nothing less than God’s promises.
- *Together* – Those involved with Lutheran social ministry, by working together, can embody hope in ways that speak to the needs of the world in these times.

One Call

LSA is called to love and serve the neighbor – Together.

VII. Financial Report for LSA Fiscal Year 2008

Paul Middeke, Audit Committee Chair, reported on the LSA financial report for fiscal year 2008. The Audit Committee met with the external auditors at the beginning of the audit and at the end of the examination to discuss the results of the audit. He referenced the audited financial statements provided to the membership in the Annual Meeting materials and stated that there was a clean unqualified opinion by the auditors. There were no material weaknesses and the changes recommended have been implemented. The Audit Committee reappointed Clifton Gunderson, LLP, as auditors for the current fiscal year. Paul Middeke thanked the Audit Committee members from the Board, Bob Tuttle (Chair), Chris Andersen and Mark Peterson and non-Board member, Toni McNeal, CFO, KenCrest.

VIII. LSA Fiscal Year 2010 Budget

Kathleen Elliott Chillison, Treasurer, LSA Board of Directors, presented the LSA Fiscal Year 2010 Budget to the membership. She referenced the proposed budget provided to the membership in the Annual Meeting materials and noted that the proposed budget had been reviewed and approved by the appropriate individuals from the ELCA and the LCMS. She noted the effects of the economic situation on LSA revenues and the adjustments made by LSA for expenses. LSA will monitor and make further adjustments as necessary in the coming year. The proposed LSA Fiscal Year 2010 Budget was recommended by the LSA Board of Directors for presentation at the Annual Meeting with total revenues of \$2,309,032 and total expenses of \$2,308,366. Patricia Savage requested a motion and second.

Motion

ADOPTED

That the LSA Fiscal Year 2010 Budget be adopted as presented.

IX. Report of Class A Board Member Nomination Committee

Luanne Fisher, the Chair of the Class A Board Member Nomination Committee, directed the members to the Report of the Committee. She thanked the Committee members for their work: Kurt Senske, LSA Board of Directors; Betsy Warburton, President and CEO, Bethany Life Communities, Story City, IA; and Paul Opgrande, President, Tacoma Lutheran Home and Retirement Community, Tacoma, WA. She presented the slate of nominees for election. Patricia Savage requested and received a second to the motion.

Motion

ADOPTED

That William Hanawalt, Barbara Dröher Kline and Samuel M. Sipes be elected as Class A Board Members for three year terms (July 1, 2009 – June 30, 2012)

Barbara Dröher-Kline (Second Term)

President and CEO, Lutheran Social Services of Northern California, Concord, CA

William Hanawalt (*First Term*)

Director, Peace Community Center, Tacoma, WA

Samuel M. Sipes (*First Term*)

President and CEO, Lutheran Services Florida, Inc., Tampa, FL

X. Amendments to the Bylaws of LSA

Patricia Savage directed the membership to the amendments to the LSA Bylaws as recommended by the LSA Board of Directors. She summarized the amendments as follows:

- Adding two at-large Directors to the LSA Board
- Changing the role from Chair-Elect to Vice Chairperson
- Moving the start of Director and Officer terms to July 1
- Amending Bylaws language to comport with current ELCA and LCMS language and practice.

She noted that the amendments had been communicated widely to the membership in concurrence with the LSA Bylaws. Patricia Savage requested a motion and second.

Motion

ADOPTED

That the attached recommendation from the LSA Board of Directors for Amendments to the LSA Bylaws be adopted as presented.

XI. Recognition of Board Service

Newly-Elected Board Officers

Patricia Savage announced the newly elected officers of the LSA Board of Directors:

Patricia Savage as Chairperson (*Second Term*)

Ted Goins, Jr. as Vice Chairperson (*First Term*)

Kathleen Elliott Chillison as Treasurer (*First Term*)

David Benke as Secretary (*Second Term*)

Departing Board Members

Patricia Savage expressed gratitude to the departing Board members, Kent Burgess, Luanne Fisher, Paul Middeke and Gregory Pile. She presented them with gifts in thanksgiving for their years of service.

Installation and Prayer of Thanksgiving

Gregory Pile and David Benke conducted a service of installation for the new Board members with prayers of thanksgiving for the departing members of the Board.

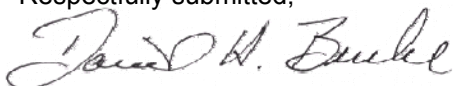
XII. Invitation to the 2010 Annual Conference

Patricia Savage invited everyone to attend the 2010 Annual Conference scheduled for Monday – Wednesday, April 26-28, 2010 in Sacramento, CA at the Hyatt Sacramento.

XIII. Adjournment of Meeting

Patricia Savage thanked the membership and adjourned the meeting at 9:41 AM.

Respectfully submitted,



David H. Benke
Secretary

The LSA 2010 Public Policy Report

RESPONSIBILITY FOR SELF AND RESPONSIBILITY FOR THE NEIGHBOR

Lutherans believe that all people are beloved children of God entrusted with gifts to share for the benefit of others. People must assume personal responsibility for contributing to their own well-being. They also have responsibility to care for others – to contribute to the good of the whole by using their unique gifts and skills.

**Lutheran Services in America, in examining public policy, asks,
“What sorts of policies equip people for these dual roles of caring for self and caring for others?”**

LSA 2010 PUBLIC POLICY PRIORITIES

Please visit www.lutheranservices.org/public_policy for detailed, up-to-date information on LSA’s public policy priorities.

AGING SERVICES

Many LSA members provide housing and health care services for older adults in a wide range of settings, from acute to home care, from nursing homes to home and community based services. In 2010, LSA continues to focus on legislation and regulations regarding long term supports and services, as well as passage of the Community Living Assistance Services and Supports (CLASS) Act and the upcoming reauthorization of the Older Americans Act.

NONPROFIT SECTOR ISSUES

Nonprofit organizations make up approximately 14 percent of the nation’s workforce, but issues unique to nonprofits are often overlooked in the development of legislation and regulations. With over 300 member organizations which are impacted by federal legislation and regulations on many levels, LSA believes it important to be a voice for Lutheran health and human services organizations on these issues. Key issues for LSA this year include defined benefit pension relief, reestablishment of the IRA charitable rollover and volunteerism and national service

AFFORDABLE HOUSING

LSA supports public policy that increases the preservation and production of affordable housing for people with low incomes, particularly older adults and people with disabilities. Public policy should ensure that people who are without homes are offered shelter and supportive services to help transition into permanent housing. LSA is focusing its legislative efforts on bills that would reform and expand housing for seniors and people with disabilities. LSA’s regulatory efforts are focused on implementation of the National Housing Trust Fund program.

CHILD WELFARE

LSA supports public policy that facilitates the ability of community and government to keep children safe in the case of abuse or neglect and provides children in out-of-home placements the same access to health care, educational opportunities and recreational activities as other children. LSA also supports assisting parents or caregivers with adequate and appropriate resources to be able to care for children and to prevent abuse and neglect. Key issue areas for LSA are development of a home visitation program, continued implementation of the Fostering Connections to Success and Increasing Adoptions Act of 2008, and TANF and child nutrition reauthorizations.

LSA-DN 2010 PUBLIC POLICY PRIORITIES

Please visit www.lsadnadvocacy.org for detailed, up-to-date information on LSA-DN’s public policy priorities.

The Lutheran Services in America Disability Network (LSA-DN) supports public policy that preserves and strengthens Medicaid for people with developmental disabilities. In order to ensure that Medicaid policy continues to meet the needs of people with developmental disabilities, LSA-DN supports the following principles:

- (1) People with developmental disabilities depend on Medicaid policy that provides adequate and equitable services based on individual needs
- (2) People with developmental disabilities depend on Medicaid policy that mandates flexible services and regulations for integrated community living
- (3) All people with developmental disabilities must have access to Medicaid supports as needed and
- (4) Medicaid policy must be coordinated with other vital supports and services

LSA-DN will partner in using the expertise of our social ministry organizations to help make community-based living for people with developmental disabilities a reality in every state. The following critical issues must be addressed to ensure the accessibility of these services:

- Waiting Lists: Access to Home and Community-Based Services and Supports
- Economic Recession: Temporary Increase in the Federal Medicaid Match (FMAP) to Preserve Services
- Supportive Housing: Ensure Affordable and Accessible Housing in Communities
- Ineffectual Regulations: Promote the Efficient and Effective Delivery of Quality Services and Supports

ADVOCACY MADE EASY

Advocacy can seem overwhelming and time consuming, but if you carve out just a few minutes a week to work toward your advocacy goals, you can make an impact. Infusing advocacy into your organization's ongoing activities and harnessing the power of your members, board of directors, staff and supporters can make change happen.

JUST A FEW MINUTES OF ADVOCACY A WEEK MAKE A DIFFERENCE!

1. Sign up for listservs and e-mails from policy makers to easily track the issues and actions your legislators are taking. When relevant forward those to your Board of Directors and staff.
2. Send your newsletters and other organizational information material to local, state and federal policy makers. If you have an e-mail list, make sure they (and their staff) are signed up.
3. Set up annual meetings with policy makers to continue to educate and to update them on the issues facing your organization and community inviting them to your site(s).
4. Write about a key issue, editorial or letter to the editor for your local paper.
5. Join state and local coalitions working on issues important to the organization. Get involved in federal-level advocacy through LSA.
6. Identify a point person in your organization to staff future advocacy efforts and social media activities. This person could be an intern or volunteer if paid staff is unavailable.
7. Educate your staff and consumers by setting up a table in your office with material about an important key legislative issue. Leave Include cards or post cards for people to sign or send to legislators.
8. Ask staff and consumers to tell their stories in writing or in person about a specific issue. Create a story form for people to write a story while they are at the office and always ask them to leave their name and phone number so that you can contact them.
9. Send an advocacy e-mail to your Board of Directors, staff, members, families and supporters, asking them to call, write or visit policy makers about a specific issue.
10. Create a 30-second elevator speech about the organization and your issues and share it with Board Members and supporters to use when you see your elected officials.
11. Let your elected officials and their staff know they can use your organization as a resource. Be sure they have a list of services your organization provides.
12. Read LSA Washington (www.lutheranservices.org/lsawashington) and check out www.lsadnadvocacy.org.

LOTS TO LEVERAGE: ENGAGING THE LSA FAMILY IN ADVOCACY

Educating and engaging stakeholders of our organizations will ensure that the responsibility of advocacy is spread broadly and that the advocacy is effective and powerful. Please consider, if you have not already, ways to educate and to engage the following groups in your advocacy:

Board of Directors – Leverage their time, skills and energy to help support your advocacy. The Board, as the face of the organization, can make a strong argument to policy makers and the media.

Staff – Their experience offers a wealth of knowledge and stories powerful to advocacy efforts. Involving staff in advocacy and policy change can also empower them in their daily work.

Consumers/Families – Clients and families are often the most powerful spokespersons for the services provided by our

organizations. Engage them in advocacy by asking them to share personal stories, testify at hearings, send post cards, make phone calls, turn out to rallies, attend private meetings with legislators, speak to the media and participate in social media.

Donors and Volunteers – Funders and other supporters should also be engaged in advocacy. When sending solicitation and thank you letters include an advocacy ask as well, encouraging them to get involved in a new and different way.

RESOURCES

- Use www.govtrack.us to track specific bills in Congress or how your members of Congress are voting.
- Find your federal and state legislators' information and send an e-mail to them through www.congress.org.
- Sign up to receive LSA Washington by going to www.lutheranservices.org/lsawashington and clicking on the link on the left side of the page.
- Learn more about the do's and don'ts of nonprofit advocacy and lobbying from the Center for Lobbying in the Public Interest (www.clpi.org).
- Check out the latest from the White House Office of Faith-Based and Neighborhood Partnerships at <http://www.whitehouse.gov/administration/eop/ofbnp>.
- Find your members of Congress on Twitter at <http://tweetcongress.org/list>.
- Visit <http://nonprofitorgs.wordpress.com/> to learn more about integrating social media into your organization's communications and advocacy work.
- Get great advocacy tips from the Advocacy Guru, Stephanie Vance, at <http://www.advocacyassociates.com/advocacyblog.htm>. You can also sign up for her Advocacy Tipsheet and attend one of her Webinars for free.

The DC Office of Lutheran Services in America is located at 122 C St. NW, Suite 125, Washington, DC 20001
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LUTHERAN SERVICES IN AMERICA

FINANCIAL REPORT – XX PDF PAGES INSERTED HERE

Proposed LSA Budget for FY2011

GENERAL

LSA made significant operating decisions to achieve a balanced budget in Fiscal Year 2010 (FY10) after experiencing reduced revenues late in the year and, therefore, running a deficit in Fiscal Year 2009 (FY09). Most notably, LSA has operated with reduced staff throughout the year, has reduced employer matches to employee retirement plans to 1% and has accepted the voluntary salary reduction of the CEO.

Financial challenges will continue through Fiscal Year 2011 (FY11), however the receipt of recent restricted grant contributions from LSEE (Lutheran Services for Elderly Endowment) and LSCE (Lutheran Services for Children Endowment) will allow some important projects to move forward. Projects related to these grant contributions will begin soon, but dollars will remain available for use in FY11 as the grantor operates on a calendar year.

LSA did not increase dues in FY10 and members came through with increased dues payments despite the difficult economic climate. In FY11 LSA will need to increase dues in an effort to maintain a balanced budget and has built in a 2% increase into the proposed budget.

Staff has worked actively to reduce expenses in a variety of ways and will continue to do so in FY11. Staff is also aggressively focused on revenue generation and has prioritized projects that will both advance the Ends Policies and generate funds for LSA. Certain revenue streams in the FY11 budget are estimated conservatively.

REVENUE

- Contributions from ELCA and LCMS – The amounts shown for FY11 are based on LSA's understanding of the respective commitments.
- Contributions from organizations and individuals – FY11 assumes a moderate increase over FY10, expected as a result of continued momentum from the successful fundraising plan implemented this year.
- Membership fees – FY11 is based on a dues schedule that has been increased by 2% over the previous schedule that has been in effect since FY09. Last year, LSA chose not to increase dues because of members' financial challenges, but will need to enact a small increase this year to maintain a balanced budget.
- Events – Includes registration fees, exhibit fees and sponsorships associated with the CEO Academy, the Leadership Academy, and the Annual Conference that will be held in Milwaukee, WI. The Executive Retreat will be planned for Fall 2011 so is not included in this budget. Event revenue will be lower than FY10 because of the omission of this event. Other conference revenues are expected to remain at FY10 levels, as LSA staff has worked hard to promote sponsorships and maintain good participation for the Annual Conference.
- Services Delivered– Revenues are expected to increase moderately because of increased efforts in consulting activities, as well as restoration of the LSA-DN service agreement that was reduced temporarily in FY10 due to staff transition in the LSA-DN policy advocacy position.
- Investments – FY11 investment income projects \$1,400,000 in CDs and \$400,000 in money market accounts yielding a composite return of 2.3%.
- Royalties and all other – The increase in this category reflects additional revenues resulting from new business relationships and efforts to expand participation in bulk purchasing arrangements provided to SMOs through Insight, Consorta and CDW. Members are transitioning to these services cautiously owing to economic and other operating

factors. Other fees in this category will be generated through the sale of ads in the Personnel Bulletin, revenues from other LSA arranged executive recruiting services and from other services to be developed.

- Reimbursed Expenses – This revenue line reflects reimbursement of travel and other expenses incurred by LSA staff in the course of providing speaking engagements, consulting support and other project engagements. The decline from prior year reflects normal business activity.
- Grants – Following a substantial process of cultivation and proposal generation by LSA, several new restricted grants were received recently in FY10 and in February 2010 will provide funding into FY11. Those grants (from Lutheran Services for Elderly Endowment and LSCE Lutheran Services for Children Endowment) contributed \$349,000 for projects that will forward LSA Ends Policies. The Berg Memorial Fund grant through Lutheran Retirement Ministries of Alamance County, NC for the CEO Academy and other senior staff leadership projects will continue again in FY11.

EXPENSE

- LSA Staff – FY11 proposed salaries and benefits are based on 12.5 FTEs (12 fulltime, 1 part-time) which is down from 14.5 reflected in last year's budget. This line item includes salaries, payroll taxes, health and welfare benefits, retirement plan matching (reduced to 1%), worker's compensation insurance and alternative work location allowances for remote staff. Salary increases are not contemplated in this line item.
- Professional Services – This line item reflects the many activities LSA outsources in lieu of developing in-house expertise. These services include accounting, auditing, legal, graphic design, software development, meeting planning, and HR services.
- Travel – Includes travel for LSA staff and Board members, as well as consultants' travel when engaged in LSA consulting projects. The decrease in this line item for FY11 is attributable to aggressive actions that are being taken to reduce LSA staff travel.
- Events – Includes facility and program costs for the Annual Conference, CEO Academy, and Leadership Academy. The reduction in this expense line item reflects efforts to scale back on LSA event expenses along with the delay the Executive Retreat to Fiscal Year 2012 (FY12).
- External Communications & Relationships – Includes LSA's membership in national organizations related to the services and missions of LSA's members and a modest amount for communications.
- Office & Related – Rent, office equipment, and office supplies are the prime components of this line item. Baltimore and Washington offices account for the bulk of these expenses. LSA continues to look at savings opportunities within these expense categories.
- Printing & Mailing – The FY11 proposed budget reflects a budget consistent with FY10 despite likely inflationary factors.
- Telecommunications & Information Technology – Telephone, network, computer support, computers, and software comprise this group. The increase in FY11 is related to contracted price increases for web hosting and network support and several projects that will need to be undertaken in FY11 including a refresh of outdated LSA staff computers.
- Financial Expenses – Includes depreciation, bank fees, insurance, and non-employment taxes.
- All Other – Will remain consistent with prior year expenses.

NET

- FY10 Projected – The significant positive number reflects grant income received February 2010. These net assets will support the work completed toward these grant projects in FY11.
- FY11 Proposed – A balanced budget.

Lutheran Services in America

2011 Budget

\$ (000's)

	Fiscal Year 2009 Actual	Fiscal Year 2010 Budget	Fiscal Year 2010 Projected	Fiscal Year 2011 Proposed
REVENUE				
Contributions - Cash				
ELCA - CS	592.5	564.0	495.9	452.9
LCMS - WR/HC	235.0	211.5	142.8	100.0
Organizations & Individuals	25.6	70.0	50.0	75.0
Membership Fees	570.1	552.3	591.0	600.0
Programs & Services				
Events	264.2	246.5	259.2	241.2
Services delivered	376.3	361.7	318.1	339.6
Other Sources				
Investments	48.0	45.0	45.0	43.0
Royalties & all other	48.1	113.0	32.0	53.0
Reimbursed expenses	31.4	35.0	10.1	10.1
Sub-total - Unrestricted	2,191.3	2,199.0	1,944.1	1,914.8
Grants - Temporarily Restricted				
Berg Memorial	50.5	50.0	50.0	50.0
LSEE Replication Project	60.0	60.0	150.0	75.0
LSEE Partnership Grant	-	-	150.0	-
LSCE Resources & Opportunities	-	-	143.6	-
Volunteer Survey Grant	-	-	20.0	-
Other Grant Income	-	-	35.0	89.7
Sub-total Temp. Restricted	110.5	110.0	548.6	214.7
TOTAL REVENUE	2,301.8	2,309.0	2,492.7	2,129.5
EXPENSES - Natural Categories				
Human Resources				
LSA Staff	1,567.2	1,437.2	1,216.8	1,231.3
Professional Services	323.1	309.0	369.1	316.2
Travel	112.4	97.1	88.5	85.0
Events	177.7	144.6	153.2	127.2
External Communications & Relationships	43.8	32.4	36.1	36.1
Office & related	75.9	85.0	89.3	90.5
Printing & Mailing	42.5	31.6	29.1	29.1
Telecom & Info. Tech.	99.3	93.5	96.7	111.0
Financial Expenses	64.2	66.0	48.9	48.4
All Other	13.2	12.0	12.0	14.5
SUBTOTAL	2,519.4	2,308.4	2,139.7	2,089.3
Direct expenses to support grant funded projects (1)	-	-	48.0	338.1
TOTAL EXPENSES			2,187.7	2,427.4
NET - Rev. less Exp.	(217.7)	0.7	305.0	(297.9)
Release of temporarily restricted assets prior year				298.8
FY 2011 Net Assets				0.9

(1) Expense for FY2011 includes \$338k of direct expense to support LSEE and LSCE restricted grants received in FY 2010. Work on these grant projects will continue in FY2011.

LSA FY11 DUES SCHEDULE

SMO operating budget (millions)	Fiscal Year 2010	Fiscal Year 2011
<= 1.0	\$110	\$112
1.0 - 2.0	\$180	184
2.0 - 3.0	\$305	311
3.0 - 4.0	\$420	428
4.0 - 5.0	\$540	551
5.0 - 7.5	\$825	842
7.5 - 10.0	\$1,145	1,168
10.0 - 12.5	\$1,470	1,499
12.5 - 15.0	\$1,800	1,836
15.0 - 17.5	\$2,130	2,173
17.5 - 20.0	\$2,460	2,509
20.0 - 25.0	\$3,245	\$3,310
25.0 - 30.0	\$3,900	3,978
30.0 - 35.0	\$4,615	4,707
35.0 - 40.0	\$5,325	5,432
40.0 - 50.0	\$6,885	7,023
50.0 - 60.0	\$8,415	8,583
60.0 - 70.0	\$9,950	10,149
70.0 - 80.0	\$11,475	11,705
80.0 - 90.0	\$13,000	13,260
90.0 - 100.0	\$14,535	14,826
>100.0	\$16,400	16,728

Report of the Board Member Nomination Committee

to the Membership of Lutheran Services in America
at the Annual Meeting: April 28, 2010

Background

LSA has three types of Board members, all equal in role and authority, but distinguished by the way in which they come to the Board:

- Class A Board members are CEOs of Lutheran health and human service organizations and the slate is elected by peer CEOs at the LSA annual meeting. There are nine Class A seats.
- Class B Board members are appointed by the ELCA (six seats) and the LCMS (three seats). The Executive Directors of ELCA Church in Society and LCMS World Relief and Human Care sit on the board by virtue of office. A District President and a Synod Bishop are also prescribed as designations on the Board.
- Class C Board members are the new category voted on at the 2009 annual meeting and addressed in Bylaw changes. These are two at-large positions to be elected by the LSA Board of Directors.

All Board members except those who serve by virtue of office can serve for a maximum of two three-year terms.

The Tasks of the Committee

The Committee's charge is to develop and recommend a slate of Class A Directors to be voted on by the social ministry organization CEOs at the LSA Annual Meeting. The Committee identifies Class C Director candidates for election by the LSA Board of Directors. The Committee also offers insights to the ELCA and the LCMS as they consider Class B Director appointments.

Class A Nominations for Recommendation to the LSA Membership

Each year the Committee gives attention to assuring a diversity of perspectives among Class A directors. Factors such as region of the country, gender, ethnicity, types of service provided by the social ministry organizations and church body affiliation/recognition are considered alongside the specific skills and perspectives identified as needed on the Board.

Mark Peterson and Patricia Savage complete their second and final terms on June 30, 2010, presenting the need to identify candidates for those two open seats. Linda Timmons' first term (completing a 2-year unexpired term) on the LSA Board of Directors ends June 30, 2010; she is eligible for a second term and is willing to serve. The following persons are hereby nominated for positions on the Board of Directors of Lutheran Services in America as Class A members:

Three-Year Terms July 1, 2010 – June 30, 2013

John E. Bauer (*First Term*)

President and CEO, Bethesda Lutheran Communities, Inc., Watertown, WI

Wendy Z. Goldstein (*First Term*)

President and CEO, Lutheran HealthCare, Brooklyn, NY

Linda Timmons (*Second Term*)

President and CEO, Mosaic, Omaha, NE

Respectfully Submitted,

Chris Andersen (Chair), (LSA Board), Executive Director, Lutheran Community Foundation, MN

Chuck Gould, President, Volunteers of America, VA

Ruth Henrichs, CEO, Lutheran Family Services of Nebraska

Fred Kraegel (LSA Board), Senior Director, Bridge Associates, LLC, VA

Bob Miles, CEO, Lutheran Child and Family Service of Michigan

Julie Swanson, CEO, Lutheran Family Services of Virginia

Sam Sipes (LSA Board), President and CEO, Lutheran Services Florida

Pat Savage (LSA Board Chair), President and CEO, Allegheny Lutheran Social Ministries, PA

Biographical Information for the Class A Board Member Nominees

ELIGIBLE FOR THREE YEAR TERMS, JULY 1, 2010 – JUNE 30, 2113



John Bauer

John Bauer is the President and Chief Executive Officer of Bethesda Lutheran Communities, where he has overseen the merger of Bethesda Lutheran Homes and Services and Good Shepherd Communities. He has been at Bethesda since 2006, first as Integration Manager and then as Interim Chief Operations Officer. Prior to his work at Bethesda, Dr. Bauer held several positions at Wisconsin Lutheran College: Executive Director of the CHARIS Institute, Chief Academic Officer, Vice President for Academic Affairs and Associate Professor of Education. He began his career as a high school Biology teacher and principal at Lutheran schools. Dr. Bauer earned his Ph.D. at Marquette University, MA at Concordia Teachers College and BS at Dr. Martin Luther College. He was also awarded an Honorary Doctor of Laws degree by Wisconsin Lutheran College. In 2007, he was one of 20 individuals selected for the Leadership Institute of the Center for Disabilities Studies at the University of Delaware, where he focused his research on the

leadership challenges inherent in shepherding an organization through change as a result of a merger. Dr. Bauer is the author of many papers, presentation and publications. He has been active in a wide variety of church and community organizations and activities, including the LSA Disability Network, American Society on Quality and Rotary International.



Wendy Goldstein

Wendy Z. Goldstein was appointed President and Chief Executive Officer of Brooklyn's Lutheran HealthCare system in April 2001. At Lutheran Medical Center, Ms. Goldstein does much more than manage a nationally recognized 400-bed voluntary community teaching hospital; she is also responsible for the entire Lutheran HealthCare system. Her goal is to make Lutheran HealthCare Brooklyn's "provider of choice" by maintaining the strongest commitment to quality health care and continuing Lutheran's historic relationship with its local community. According to Lutheran's mission statement, "the institution has no reason for being of its own; it exists ONLY to serve the needs of its neighbors." In this pivotal position, Ms. Goldstein continues this tradition. She has more than 32 years of leadership expertise in some of the country's finest academic medical centers, including New York University Medical Center, The Memorial Sloan Kettering Cancer Center, The Mount Sinai Medical Center and St. Luke's-Roosevelt Hospital. She is the recipient of numerous awards. In 2002, Ms. Goldstein was appointed a member of the Board of the Greater New York

Hospital Association. In 2005 she was appointed to the Boards of the Sunset Park Health Council and the American Cancer Society, in 2006 she was elected a fellow of the New York Academy of Medicine and in 2008 she was named Woman of the Year by the Federation of Italian-American Organizations.



Linda Timmons

Linda Timmons began her career in high school working on the Bethphage campus at Axtell, Neb. She held numerous positions in several states within the organization and when Mosaic was formed through the consolidation of Bethphage and Martin Luther Homes in 2003, Linda was named Senior Vice President of Program Services. In 2006, she was named President and Chief Operating Officer. She became Mosaic's President and Chief Executive Officer on July 1, 2008. She holds a Bachelor of Arts from the University of Nebraska at Kearney, and a Master of Arts from St. Edward's University in Austin, Texas. In addition to LSA, Linda serves on the boards of Midland Lutheran College in Fremont, Nebraska, and Nebraska Lutheran Planned Giving Services.

LSA Board of Directors ROSTER April 2010

Officer	Director Name Class and Term	Organization Title and Postal Address	Other Contact Info Voice, Cell, Fax, Email
CHAIRPERSON First Term 2008-2009 Second Term 2009-2010	DR. PATRICIA SAVAGE Class A Member Term I July 2004 - June 2007 Term II July 2007 - June 2010	President and CEO Allegheny Lutheran Social Ministries 915 Hickory Street Hollidaysburg, PA 16648	814-696-4556 814-696-4518 (direct line) 814-935-4518 (cell) 814-696-4561 (fax) patricia.savage@alsm.org
VICE CHAIRPERSON First Term 2009-2010	MR. TED W. GOINS, JR. Class A Member Term I July 2008 – June 2011	President Lutheran Services for the Aging, Inc. PO Box 947 Salisbury, NC 28145-0947	704-637-2870 704-798-1069 (cell) tgoins@lsanc.net
SECRETARY First Term 2008-2009 Second Term 2009-2010	REV. DR. DAVID H. BENKE Class B Member Term I Oct 2006 – June 2009 Term II July 2009 – June 2012	President Atlantic District – LCMS 171 White Plains Road Bronxville, NY 10708	914-337-5700 914-337-7471 (fax) DHBAD@aol.com David.Benke@ad-lcms.org
TREASURER First Term 2008-2009 Second Term 2009-2010	MS. KATHLEEN ELLIOTT CHILLISON Class B Member Term I July 2005 – June 2008 Term II July 2008 – June 2011	19308 Nestor Avenue Carson, CA 90746	714-445-3734 Kathleen.Elliott.Chillison@Marriott.com krchilli@sbcglobal.net
	MR. CHRIS ANDERSEN Class B Member Term I July 2004 – June 2007 Term II June 2007 – June 2010	Executive Director Lutheran Community Foundation 625 4 th Avenue South Suite 1415 Minneapolis, MN 55415	612-340-4104 612-991-5959 (cell) 612-340-4109 (fax) chris.andersen@TheLCF.org chris.andersen@thrivent.com
	REV. DR. DAVID L. deFREESE Class B Member Term I July 2009 – June 2012	Bishop Nebraska Synod ELCA 4980 South 118 th Street, Suite D Omaha, NE 68137	402-896-5311 402-699-0635 (cell) daviddefreese@ecunet.org
	MS. BARBARA DRÖHER-KLINE Class A Member Term I July 2006 – June 2009 Term II July 2009 – June 2012	President and CEO Lutheran Social Services of N CA 988 Oak Grove Road Concord, CA 94518	925-825-1060 925-825-1061 (fax) bdkline@lssnorcal.org
	REV. ALAN ERDMAN Class A Member Term I July 2008 – June 2011	President and CEO Lutheran Family and Children's Services of Missouri 8631 Delmar Boulevard St. Louis, MO 63124-1990	314-787-5100 314-808-4900 (cell) alane@lfcsg.org
	MR. WILLIAM HANAWALT Class A Member Term I July 2009 – June 2012	Executive Director Peace Community Center 2106 South Cushman Avenue Tacoma, WA 98405	253-383-0702 ext. 102 253-219-8275 (cell) billh@peacetacoma.org
	REV. MATTHEW HARRISON Class B Member Term began April 2001 Term by Tenure of LCMS Office	Executive Director, LCMS World Relief and Human Care 1333 S. Kirkwood Road St. Louis, MO 63122	314-996-1390 314-996-1115 (fax) MCH@lcms.org

Officer	Director Name Class and Term	Organization Title and Postal Address	Other Contact Info Voice, Cell, Fax, Email
	MR. FREDERICK G. KRAEGEL Class B Member Term I July 2009 – June 2012	Senior Director Bridge Associates, LLC 1225 Hyde Lane Henrico, VA 23229	212-207-4710 804-363-5010 (cell) fkraegel@bridgellc.com
	REV. DR. REBECCA LARSON Class B Member Term began March 2003 Term by Tenure of ELCA Office	Executive Director, ELCA Church in Society program unit 8765 West Higgins Road Chicago, IL 60631-4190	773-380-2691 773-380-2707 (fax) rebecca.larson@elca.org
	MR. MARK PETERSON Class A Member Term I July 2004 – June 2007 Term II July 2007 – July 2010	President and CEO Lutheran Social Service of Minnesota 2485 Como Avenue St. Paul, MN 55108	651-969-2270 612-201-2019 (cell) 651-969-2360 (fax) mpeterson@lssmn.org
	DR. SHEILA RADFORD-HILL Class B Member Term I April 2006 – June 2009 Term II July 2009 – June 2012	Executive Director Diversity Center Luther College 700 College Drive Decorah, IA 52101	563-387-1320 563-387-2158 (fax) sradfordhill@excite.com radfsh01@luther.edu
	DR. KURT SENSKE Class A Member Term I July 2005 – June 2008 Term II July 2008 – June 2011	President and CEO Lutheran Social Services of the South, Inc. 8305 Cross Park Drive Austin, TX 78714-5154	512-459-1000 800-938-5777 512-467-2746 (fax) kurts@lsss.org
	MR. SAMUEL SIPES Class A Member Term I July 2009 – June 2012	President and CEO Lutheran Services Florida 3627 A West Waters Avenue Tampa, FL 33614	813-676-9500 813-446-4254 (cell) ssipes@lsfnet.org
	MS. LINDA TIMMONS Class A Member Term I July 2008 – June 2010 (completing a 2-yr unexpired term)	President and CEO Mosaic 4980 South 118 th Street, Suite A Omaha, NE 68137-2220	887-366-7242 ext 1148 402-880-4357 (cell) linda.timmons@mosaicinfo.org
	DR. ROBERT TUTTLE Class B Member Term I July 2008 – June 2011	Professor of Law David R. and Sherry Kirschner Berz Research Professor of Law and Religion The George Washington University Law School 2000 H Street NW Washington, DC 20052	202-994-8163 202-236-0518 (cell) rtuttle@law.gwu.edu Mailing Address: 4911 Sherier Place NW Washington, DC 20016
Board Adjunct			
THEOLOGIAN IN RESIDENCE	REV. DR. DAVID L. TIEDE Board Appointed Year I / Calendar Year 2009	Professor of Vocation and Religion Augsburg College 2211 Riverside Avenue S. Minneapolis, MN 55454	651-426-9906 612-817-0080 (cell) dltiede@msn.com Mailing Address: 4750 Bouleau Road White Bear Lake, MN 55110