

Minutes of  
WRC Governing Board  
October 12, 2002

Attending: Marcella David, Jill Esbenschade, Rut Tufts, Chris Howell, Matt Aber-Towns, Nancy Steffan, Douglas Shaw, Jim Brudney, Shahar Sapir, Matt Teaman, Audrey Avila, Linda Chavez-Thompson, Katie Quan, Scott Nova, Anne O'Rourke, Erin McGrath, Agatha Schmaedick. Also observers Ben Hensler (AFL-CIO), Ben McKean (USAS).

All approved additions to the agenda for ratifying Matt Aber-Towns to succeed Trina Tocco as a USAS board representative and for constituency reports. Matt's ratification was unanimously approved.

The June 3, 2002 minutes were unanimously approved.

**Treasurer's Report:** Nancy delivered the Treasurer's report which was approved unanimously.

**Executive Director's Report:** Scott delivered the Executive Director's report stating that total income, including the carry over surplus from FY 2001, was \$617,000, resulting in net income (and a surplus carry over to the current year) of \$105,000. He also said that the 2002 audit and IRS 990 are underway and would be complete soon. In response to questions about how the Executive Director's report handles money not yet received, Scott stated that the audited financial statements reflect cash flow accounting and that WRC would email board members a profit/loss statement that will show slightly lower income and expenses. Scott indicated the alternative budget breakdown that the board previously requested as showing 79% program expenses, 17% administrative and 4% fundraising. He also stated that WRC has created a \$10,000 reserve fund and a vote on future reserve fund policy was scheduled later on the agenda. Scott described that WRC has raised \$316,000 in affiliation fees and grants, which is positive news and on schedule with projections. In response to questions about grant restrictions, Scott indicated that such restrictions are usually geographic in nature. Scott also mentioned the recent positive meeting with the State Department indicating somewhat better prospects for potential future funding. Scott reiterated that WRC has received initial 501(c)(3) status and thanked Erin and the attorneys for their work on this.

Scott summarized that there are now 106 affiliate schools and that WRC is developing a more systematic process for communications and cultivation including making campus visits at least once every academic year to at least the "A" schools, developing targeted strategy for the smaller schools through steps including forming a subcommittee, and possibly focusing more on new private institutions in response to budget pressures on state institutions. It was discussed that without applying recruitment pressure, WRC can target schools with large licensing programs and likely ideological affinity such as Jesuit schools and historically black colleges, and for WRC to do a mailing to the SUNY schools given the recent state legislature decision on codes of conduct. It was also agreed to put school communications/cultivation on the next board agenda for fuller discussion. Scott continued that WRC is also improving its student communications through creating student primary contacts at each campus to mirror administration primary contacts, and holding conference calls at least twice each semester with USAS leadership. Scott also thanked HeeWon and Agatha for valuable progress made with NGO outreach, and described recent progress with business outreach particularly with Disney Company which cited WRC as influential in their decision to remain involved at PT Dada and has invited WRC to meet further. Scott agreed to provide a brief talking points document at the request of board members who said

it would be helpful in documenting WRC's effective involvement with industry and showing impact broader than just collegiate goods.

Scott introduced the new staff and interns (Ashwini Sukthankar, Agatha Schmaedick, Anne O'Rourke, Evelyn Zepeda, Monica Bunton, James Shea and Carolina Diaz) and thanked them all. Linda Chavez-Thompson offered to help check the version of Spanish used in WRC translations.

Scott concluded with saying that program updates would be given later on the agenda and with the distribution of Liza Featherstone's book "Students Against Sweatshops" as complimentary gifts to board members at Marcella's suggestion.

**Budget Policy:** The board unanimously passed a board resolution stating, "The WRC Board of Directors hereby creates a reserve fund, in the amount of \$10,000, to be gradually increased, as financially feasible, to one twelfth of budgeted expenditures, with a target date for reaching this level at the beginning of fiscal year 2005." It was understood that WRC's accountants described this step as an option not a necessity and that WRC would revisit the issue if it caused problems such as resistance from funders.

**Personnel Policy:** Scott introduced the discussion stating that WRC attorneys advised that especially in the absence of individual contracts, it would be helpful for the manual to specify benefits and that the board requested further specifics on the pension policy.

**Amendment One "Employment at Will":** The related discussion included an explanation that "employment at will" can be shorthand for anti-union tactics; that this item touches upon the right to organize, the issue of a personnel manual not constituting a contract, and whether individuals can still get contracts upon request; that for this to be a disclaimer some state courts impose a prominence test including location and font; that WRC should be neutral on collective bargaining and adopt no language inconsistent with its principles; that current language may obligate WRC to provide individual contracts while the proposed changes would maintain individual contracts as a possibility; that the bylaws require the board to approve all contracts; and that WRC may in some cases negotiate length of employment as well as salary.

The resulting proposed language was: "Nothing contained in the WRC's manual indicates an intention on behalf of the WRC to create a contract between the WRC and its employees. WRC recognizes the right of its employees to associate for the purpose of collective bargaining or otherwise organize for mutual aid and protection, as defined by applicable federal law, and will remain neutral with respect to those rights." It was further proposed to strike the title "Employment at Will" and replace it with "Employment and the Freedom to Associate." This language was unanimously approved by the board while also creating a subcommittee to focus on this and other personnel issues as described below.

It was further decided to put ILO requirements including living wage concepts on the next agenda. It was also unanimously voted to create a subcommittee consisting of Jim Brudney, Katie Quan and Matt Aber-Towns to focus on this and other personnel issues, collect proposed language suggestions and other comments from other board members, and develop proposed language to submit to the next board meeting. It was requested that all such communications be submitted to all three members.

**Amendment Two "Employee":** With the provision to canvas current interns on benefits and place the development of a separate intern policy on the next agenda, the proposed employee amendment was approved as submitted.

**Amendment Three “Probationary Period”:** There was discussion of the meaning of pre and post probation status. Scott indicated that severance is not accrued during probation. The resulting proposed language was unanimously adopted and changed the title to “Preliminary Evaluation Period” and stated, “All regular employees are required to serve a preliminary evaluation period of ninety (90) days, excluding time lost due to absences. This is considered a period of mutual evaluation during which WRC will provide feedback on areas of concern arising about performance or responsibilities. The employee will also keep WRC informed of any concerns that he/she may have.”

**Amendment Four “Notice and Severance Pay”:** The board approved splitting the section in two so that the first item is titled “A) Notice” and consists of the first two sentences as submitted.

The second item then becomes “B) Severance” and consists of text where the word “However” is now deleted from the now first sentence, the word “involuntarily” is added prior to “terminated or laid-off” and the end of the final sentence is changed to “the end of the preliminary evaluation period.” These changes were approved with Linda Chavez-Thompson abstaining.

It was discussed that WRC needs to keep track of the monetary obligations related to severance and that WRC should give at least two weeks notice of termination whenever possible. There was unanimous approval to cover current employees as accruing severance from the first day of hire and to authorize the staff to draft such language while avoiding the word “retroactive.”

As stated above, remaining personnel items were referred to the newly created subcommittee.

**Board Meeting Schedule:** A proposal was discussed to change the bylaws from three to two board meetings per year and it was agreed to collect further feedback from each constituency. The discussion included the question of email votes (possibly limited to non-major policy decisions, possibly creating a signature record, and possibly amending the bylaw requirements for unanimous consent), having two in-person meetings and one by phone, recognizing USAS student board turn-over, and the possibility of having longer and fewer meetings with more time for informal exchange and educational content.

**Constituency Reports:** The discussion included mention of overseas internships including one in Korea by an Ohio State student for which a report is available from Jim Brudney, and WRC will distribute a list of AFL-CIO overseas internships. The Research Report was positive, USAS reported on its August conference and new staff, and it was reported that the Advisory Council has not met.

**Investigation Updates:** The meeting went into executive session and the observers departed in consideration of the confidential nature of some items to be discussed.

**New Era:** The report is expected to be released Thursday. WRC is pleased with factors including better communication between the company and the union, and health and safety improvements in areas including ergonomics. There is concern about a no-strike clause that included disallowing employees to speak with organizations like WRC but a letter of correction has been received and WRC is working on further adjustment.

**PT Dada:** WRC is pleased with the actions of most brands and still talking with Adidas. The remediation report has been disseminated.

**BJ&B:** WRC is concerned about intimidation used against union activity but pleased about the company sending workers a letter assuring that they would respect the right to associate and expects they will accept the legal requirement under Dominican law to work with the union that now represents the majority of the workforce.

**Primo:** Scott announced this new investigation in San Salvador and will also email the board. A complaint was received from CEAL on health and safety violations including forced pregnancy testing as well as blacklisting. The investigation team is being assembled on very short notice but it was acknowledged that including board members is valuable where more lead time permits, such as may be possible in Cambodia.

**Other Potential Investigations:** Other potential investigations are being discussed in Cambodia and Mexico.

**Code Trainings:** Scott described continuing training sessions conducted with State Department funding for workers and NGOs on code of conduct issues. He agreed to provide a brief written report which board members thought would be valuable for showing visible accomplishments.

**Date for Next Board Meeting:** The majority of board members indicated February 28 (Friday) appeared to be the most agreeable date, and it will be confirmed if possible.