

March 24 Governing Board Meeting – Agenda

I. Introductions and Treasurer's and Executive Director's Reports (1½ hours)

- A. Introductions
- B. Approval of the minutes of the last meeting and the agenda for current meeting
- C. Treasurer's report
- D. Executive Director's report –
Administrative issues, staff hiring, fundraising plans, the Kukdong investigation and remediation, and updates on tasks assigned at last board meeting

II. Plans and Guidelines for Program Work (3½ hours)

- A. Guidelines/Protocols for launching and conducting factory investigations and for remediation (2 hours)
- B. Code of Conduct – status of the WRC model Code of Conduct and its relationship to the Codes of affiliate schools (30 min.)
- C. NGO partnerships – process for choosing NGO partners for investigative work (30 min.)
- D. Project planning – plans for moving forward with factory investigations, efforts to develop a worker complaint mechanism and research projects (30 min.)

III. Updates and discussion on additional issues (2½ hours)

- A. Consultations with industry
- B. Collection of factory disclosure information
- C. Conditional affiliations by some schools and plans for meeting these conditions
- D. Future role of WRC working groups
- E. Clarification of university fee structure
- F. Proposal for development of an advisory body of legal experts
- G. Codification of Governing Board decisions
- H. Personnel Guidelines for the Executive Director

Governing Board Meeting Unofficial Minutes

March 24, 2001
Washington, D.C.

I. Introductions and Treasurer's and Executive Director's Reports

A. Introductions

Present:

Board Members: Mark Barenberg, Rut Tufts, Horace Mitchell, Jill Esbenschade, David Moore, Daniel Long, Ronald Schurin, Marcella David, Katie Quan, Marikah Mancini, Lauren Stephens-Davidowitz, Linda Chavez-Thompson, Peter Romer-Friedman, Chris Howell

B. Approval of and Amendments to the Agenda, Approval of Last Meeting's Minutes:

Motion to move II. D. "Project Planning" to end of Plans and Guidelines

Motion to add discussion of the issue of confidentiality of WRC information

Motion to discuss preparations for the next meeting at the end of current meeting

Motion that Marcella David discuss personnel guidelines for the Executive Director during section III

Motion that Rut Tufts discuss University Caucus meeting with University observers after the Board meeting

No objections to motions.

Minutes from last meeting not complete, will approve later.

C. Treasurer's Report (Marcella David)

Marcella outlines general financial situation; notes that Executive Director will provide detailed review and update in Executive Director's report.

D. Executive Director's Report (Scott Nova)

1. Financial Issues

General Finances: Scott gives update on affiliation fee payments, foundation funding, and grants pending. He reports on WRC expenses, estimated expenses, and cash on hand.

- WRC has received \$145,000 in affiliation fees (about 80% of invoiced amount); don't expect payment from Oregon
- WRC previously estimated \$150,000 in fees, so actual fees received exceeds expected amount
- Foundation funding provides an additional \$50,000 from Arca, \$15,000 from Phoenix; with previous small grants total grant money is \$90,000 for the fiscal year to date.
- Grants pending are: the Stern Family Fund, New Voices Program, General Service Foundation; WRC will submit additional grant applications this spring

- The WRC has spent \$94,000 to date for current fiscal year, running below projections due to low rates for office space.
- Current cash on hand is \$164,000
- Organization should run an FY 2001 surplus of roughly \$150,000

Financial management issues:

- WRC has retained the services of Christy Remmers as WRC's outside accountant, assisting Erin with accounting procedures. Christy addresses the board, discusses her role as outside accountant.

Other financial issues:

- WRC has opened two accounts at the Amalgamated bank – business checking and a money market sweep account. Paychex has been retained to handle issuance of payroll and all payments and filing of payroll taxes. WRC has joined the Washington Council of Agencies.

2. Administrative issues:

General administrative issues:

- Erin McGrath has been hired as Business/Financial manager. Maria Roeper is serving as Senior Program Associate. WRC is hiring a program director position, and hopes to fill this position as soon as possible. WRC is receiving public relations assistance, in-kind, from New Economy Communications. Mary Kay Carver is working as ½ time intern.

Question regarding administrative issues:

- Scott thought when hired that a fund raising director would be necessary, why did the focus change to programs? Erin will now handle some fund raising issues. The division of labor now is different so Scott and Erin will handle it. Other staff members will assist with fund raising work, as well as some assistance from board members.

Incorporation and taxes:

- WRC is incorporated as a non-profit in the state of New York. WRC has submitted an application to the IRS for 501c3 tax-exempt status.

Personnel policy:

- Scott discusses draft of Personnel Policy; notes that revisions must be made based on advice from the WRC's attorney before Governing Board can consider the proposal.

Insurance:

- Insurance policies obtained include: publishers liability policy, office protection insurance, workers compensation, directors' and officers' liability

Office space

- Space has been secured at 5 Thomas Circle, also known as the Beasley Building. Office is \$22 per square foot for the first year, which will increase over coming years. 3-year lease, with a clause stipulates that the church commits to being flexible if lease has to be terminated prematurely. Move in should occur April 7

Motion (by Marcella) to create an executive committee to review contracts on behalf of the full board. Discussion of motion. Action postponed until later in the meeting.

3. Affiliation issues:

- There are 75 current affiliates- most recent are Carleton College, Northern Arizona, Vassar College, Cal-Poly, University of Washington. Some schools have contacted Scott. Syracuse will announce a decision on Tuesday. A mailing will go to 25 potential affiliates to invite to affiliate in time to participate in the University Caucus Meeting in April.
- University of Oregon will leave the WRC, but WRC hasn't received official notification. They are leaving due to conflict with state law against using social criteria as a basis for making contracts. They will reportedly also terminate their affiliation with the FLA.

General discussion on WRC role in the Oregon law issue: should WRC challenge this legal decision? No action taken.

4. Public profile of WRC

- There has been outreach to media regarding Kukdong and other issues. On staff level, WRC established the policy of not publicly disparaging the FLA and intend to work constructively with them.

5. Project working group

- A country-by-country analysis identified 8 priority countries as initial priority countries for pilot projects. The US and China are also recommended. Based on those summaries, the staff is working on project plans, including discussion of project in Mexico.

6. Partnership Development

- Top priority task for new Program Director will be outreach to critical NGO partners. Relationships are beginning to be developed in Mexico, Thailand, and Cambodia during visits.

7. Development of investigative protocol

- Proposed investigative protocols have been developed by project working group, and the board will review them.

8. Kukdong investigation

Summary of investigation provided:

The situation began with formal and informal complaints from workers in the form of a work stoppage. WRC put investigative team in Mexico within a week of receiving complaints, consisting of people with varying backgrounds. The WRC interviewed 58 Kukdong workers, supporters and non-supporters of incumbent union, officials of incumbent union, management, etc; toured the plant; and communicated in detail with officials of the companies involved. About 2 weeks later, a report was issued to member universities and urged them to contact licensees to urge to take remedial steps to resolve dispute. The WRC wanted to issue the report in such a way that would lead to timely assistance to workers. Virtually all of the findings have been confirmed by other groups' investigations. WRC continued to monitor the situation, and remained in contact with Nike and Reebok. Increased intervention by licensees led to significant change of management at Kukdong factory. 2/3 of workers have

been reinstated including 2 of 5 leaders who led the movement for an independent union. Last Sunday, workers at Kukdong met and elected a new union and union representatives, including previous leaders. Other organizations that played an important role were: the ILRF, Korean group International Solidarity. There continue to be some penalties upon workers rehired. The WRC continues to monitor the situation, set up monitoring programs conducted by Alberto who will conduct 12 weeks of interviews at workers' homes. The WRC received favorable attention from US and Mexican press regarding work at Kukdong. Press clips are enclosed in the booklet. The investigation was a big success for the WRC. It sent the signal that the WRC is moving forward and is capable of such factory investigations. Kukdong should serve as model for similar situations in future, especially the active role many universities took. We should see great positive impact from this work, especially in that region. The project showed the WRC's ability to communicate with universities, make recommendations, and get results. Also showed great involvement by the board.

- A second full report is in progress.
 - Expenses for the Kukdong project were approximately \$12,000
9. Status of tasks assigned at previous board meeting
- *Task 1-* reformat disclosure request for universities
Format was streamlined
 - *Task 2-* address liability issues for people doing work for WRC abroad
We're in process of getting insurance
 - *Task 3-* Board insurance
Complete
 - *Task 4-* Post board meeting minutes on the web
Complete
 - *Task 5-* Submit 501c3 application and address tax issues regarding expenses previous to non-profit status
Application submitted.
 - *Task 6-* Address project development
underway
 - *Task 7-* Clarify the make up of the advisory council and its role in electing board members.
Conference call to be held soon
 - *Task 8-* Collect money from universities
Underway, largely complete
 - *Task 9-* Additional fundraising
Efforts in progress

II. Plans and Guidelines for program work

A. Guidelines and Protocol for conducting Factory Investigations (Katie)

1. Concerns regarding protocols: Those present discuss ideas and potential problems with proposed protocols, including board involvement, conflicts of interest, neutrality, not singling out companies, concerns with Part E.

2. Process discussion: Today we'll establish protocols and leave open invitation for input.
3. Explanation of protocols (Mark). This is a rough guideline, and more details could be added. It includes criteria for investigation, team makeup, activities, and board involvement.
4. Discussion. Scott suggests we agree on spirit of changes, language will be written later and circulated by email to approve, all agree. Question raised of how not to involve those with a conflict of interest in the investigation, but still involve affected workers. Question raised of how to notify board of a decision to investigate, and provide time for an objection.
5. Contention over the content of Section E.

Proposed compromise by Mark: eliminate Part 1, and eliminate all of Part 3 down to policies with licensees "for the guidance of licensees."

The purpose of section is explained: to satisfy universities' request for guidance on what they have to do so they don't run into trouble later. The principle and strategy is to prioritize problems, giving heavy weight to concerns of workers, not to purport to a comprehensive bill of health.

Motion (Peter) to amend Marks proposal. Avoid attacking other parties by changing the tone and substance of these sentences and eliminating negative language. But, keep spirit of section E that essentially says we do not use benchmarks and checklists.

Discussion of Peter's proposed amendment.
Agreement to end best practice discussion for now.

6. Continued discussion of protocols

There are concerns about the executive director being responsible for so many decisions even when s/he is not there. Suggestion made to designate local WRC representatives.

Motion: (Chris) by Chris to approve the spirit of these protocols. Mark will write the language, recognizing within the next two weeks we must approve new language over email.

Amendment to motion: (Mark) to provisionally approve the actual language, and approve amendments to protocols now.

Discussion: Can we adopt but not release until changes have been incorporated? As long as the board is comfortable with the staff proceeding with its work, we can wait two weeks to release.

Mark withdraws amendment

Vote: All in favor of motion to end discussion. All in favor of Chris' motion. Motion passes.

B. Project working group

The Governing Board hereby authorizes the Executive Director and staff to carry out pilot projects in order to develop worker education programs and complaint mechanisms, which are crucial components of the WRC's overall mandate.

Project sites will be selected on criteria, which include, but are not limited to:

- 1) Sites where collegiate apparel is being produced
- 2) Sites where we have contact with a viable local organization with which we can partner is such a project
- 3) Sites with a potential for worker empowerment

The Executive Director shall keep the Board updated on the selection of any site for a project.

Discussion. It is suggested that investigative protocols, when approved, will effectively grant this authority. It is argued that the authority granted by the protocols may not be sufficiently broad to allow, for example, efforts to develop the worker complaint mechanism.

Motion (Jill) to adopt this language as WRC policy.

Vote All in favor. Motion passes.

C. Code of Conduct

Questions: Will the board adopt the code? What is its relationship with the university codes? Will the WRC expect that universities have codes and place them in their contracts with licensees? Should we tell each affiliate if their code is up to the WRC model code?

Concern raised that in requiring affiliates to apply Code of Conduct to licensing contracts that it be clear that this does not include supply contracts.

Mark proposes the following language:

- 1. The WRC understands that the rights and standards in the WRC code are the minimum standards of a decent in the workplace.
- 2. The WRC recommends, but does not require, that affiliate colleges and universities adopt a Code as strong in all respects as the WRC code.
- 1. Affiliates are required to have, or be in the process of adopting, a Code that at a minimum addresses all of the subject areas in the WRC code
- 2 Affiliates are required to have applied their Code of Conduct to all applicable contracts or be working toward this goal.

Motion (Peter) to adopt this language as WRC policy. One opposed, rest in favor.
Motion passes.

D. Networking Group's proposal

"I would suggest a statement along the lines of: The executive director and other staff under the supervision of the executive director are authorized to research potential partner organizations, to outreach to such organizations, and to enter into partnership with organizations with whom partnership is deemed mutually beneficial. This process will be informed by the guidelines for NGO partners drafted by the networking group and approved by the governing board in the fall of 2000. Regarding partner organizations, the executive director will be required to report to the governing board, either at meetings of the board or via another acceptable form of communication (telephone, electronic mail, post, etc.). Relevant information will include the mission and/or general function of the partner organization, as well as the specific purpose of our partnership. Mission statements and/or general information about partner organizations may be posted on the WRC's website."

Agreement to make following revisions:

Take out statement "I would suggest a statement"

"Staff under supervision of ED" can be eliminated, as well as the Title bullet

Discussion on the question of designating NGO's as "partners." What is required from the board before staff chooses partners? To what extent do we want people saying they have a relationship with the WRC?

Discussion.

Motion (Marikah): To replace proposed language with the following language. "The WRC may enter into partnerships for development of ongoing mutual relationships, education, research and complaint gathering which are deemed mutually beneficial."
Vote: all in favor. Motion passes.

III. Executive Session

IV. Updates and discussion on Additional Issues (On agenda as Part III)

A. Consultations with industry

- Conducted successful consultations regarding the Kukdong situation with Nike and Reebok's human rights person in Mexico, which drives home the need to pursue consultation with licensees.
- Scott intends to begin consultation with Reebok, Nike, CLC, Gear for Sports, Russel Athletic, etc.

B. Collection of factory disclosure (Maria)

We have received disclosure information from 25 affiliate schools. Small non-licensing schools haven't provided information- we haven't clarified what smaller schools need to do. LRG and CLC have been sending information on behalf of their schools. We do have information from schools that aren't CLC or LRG. The one outstanding issue with disclosure information is information on order size. A large number of non-CLC and LRG schools have not turned in information. The WRC has received information in an ad hoc way that many addresses are offices, not factory locations.

There is a suggestion to encourage the university caucus to forward updated disclosure info to the WRC as soon as they receive it.

Scott- A database will be created by a vendor that will be hired. It will be put on web to make it accessible for everyone.

Motion (Jill) to send out a letter to all schools requesting data, with updates every 3 month, CLC and LGR schools should send a letter authorizing the organizations to give information to the WRC and CC the WRC so that the WRC can contact them with authorization in hand.

Second: (Peter)

Oppose: (Rut) Would like to talk to LRG and CLC and find out what is involved with getting direct transmittal of electronic files to the WRC and FLA. Let us work on this at the next university caucus meeting and get back to it.

Agreement that a proposal will be handled at the next university caucus meeting.
Motion withdrawn.

E. Conditional affiliations by some schools and plans to meet conditions

Executive director reviews the various conditions noted by affiliates in their letters of affiliation. It is noted that some conditions relate to finance and governance of the WRC including: greater representation of universities on the board, sound financial procedures, whether the WRC's budget is adequate to accomplish the task set out, and non profit tax status. Other conditions include: is the WRC willing to work with licensees and other organizations; living wage provision; and general concerns with adopting the WRC code. Executive Director states that many conditions have been fulfilled and that substantial progress has been made toward the fulfillment of others.

D. Future role of WRC working groups

Existing groups will continue and provide such assistance in designated areas as staff and the executive director request from them. Some groups would be more active than others, ex. Project working group has a number of tasks ahead (Daniel)

Elections

- USAS and university directors serve one term, no prohibition on people being reelected, one year for USAS, university reprehensive for two years
- Rotation of officers- next chair will be from USAS
- When should the new university caucus members be reelected? Depends on timing of next meeting

- Student elections to be conducted by USAS

It is agreed that the next meeting will be held in late May or June (to deal with budget issues) and that future meetings should be held in September, January and May

E. Clarification of university fee structure

What happens with a school that affiliates towards the end of the fiscal year? They would be invoiced in April or May then again in July?

- Two options for invoicing: use two dates or pro-rate

Motion (Horace) that all schools should be billed at beginning of the fiscal year, those that joined before January will pay a different rate for this year only.

Discussion: There are alternatives: Use a monthly pro-rater instead (Rut).

Amendment (Marcella): schools that join on or after January 1 will be offered option of paying 50% of affiliation fee for their first year – this option will only be offered to schools whose fees are in excess of \$1,000.

Vote: One opposed, rest in favor. Motion passes.

F. Proposal for development of advisory body of legal experts- postponed

Motion (Jill) to create executive committee made up of WRC officers for the sole purpose of reviewing proposed contracts and making recommendations to the board. All in favor. Motion passes.

Motion (Marcella) to create committee to evaluate performance of Executive Director; composition to be the same as the Executive Director Search Committee (Ron Shurin, David Moore, Dave Dyson). All in favor. Motion passes.

Meeting adjourned