

Minutes from the Inaugural Meeting of the Worker Rights Consortium Governing Board

Washington, D.C. July 20, 2000

I Governance, Incorporation and Bylaws

Discussion process:

Board agreed to triage this agenda item by discussing the issues of most importance first, and other issues later.

Issues of greater importance: 1) board composition, 2) statement of purpose, 3) incorporation, 4) officers, 5) bylaws 6) financial commitment of universities with relation to the bylaws

Issues of lesser importance: 7) precedence statement (between the bylaws and the white paper) 8) clarification of Advisory Council makeup.

1) Board Composition:

Discussion: The board discussed the interests, and character of the three constituencies: Advisory Council, Students, and University Administrative Caucus. The board determined the 3 constituencies are distinct from one another as the AC draws their experience from working closely with workers, and worker allied groups, the students represent a body of passionate activists that have been critical in the anti-sweatshop movement, and the U-Caucus represents the important interests of the colleges and universities administratively.

Motion to change the board composition to 5, University Administrative Caucus representatives, 5 USAS Students, and 5 Advisory Council members (5-5-5).

Vote: 8 in favor, 1 opposed

Resolution passed.

2)Statement of Purpose: (present in both the incorporation papers and the bylaws)

Discussion: several versions of the statement of purpose were considered. Discussion centered around a few core issues: a) scope: what the WRC applies to, b) referencing the “white paper” c) referencing the key principals in the white paper, with what wording and where (incorporation papers, bylaws, both, neither) d) discussion of the word “compliance” e) discussion and clarification on why the WRC is “not a membership organization”.

Agreement to discuss the white paper, and in particular the key principals at the next Governing Board meeting. Through re-drafting and discussion with the lawyers present the scope was agreed to.

Motion to include the language “in light of the key principals” (striking “concordant with”) in the statement of purpose for the bylaws, but not the statement of purpose for incorporation, with the understanding that the board will have discussion on the principles at the next meeting.

Vote: 8 in favor, 2 opposed

Resolution passed

Motion to strike the word “compliance” in statement of purpose.

Vote: 3 in favor, 5 opposed
Resolution not passed.

Final statement of purpose for the bylaws agreed to after above revisions (the statement of purpose for the incorporation papers is the same except it excludes the line "in light of the Key WRC Principles"):

The WRC, which is not a membership organization, shall be established and maintained for the following purposes:

(a) to promote socially responsible initiatives by universities and colleges, and by manufacturers who use the indicia of those universities and colleges, for the improvement of working conditions and labor standards in domestic and global production of that merchandise;

(b) to promote in the community of universities, colleges and manufacturers, through education and research, awareness of and appropriate responses to production of merchandise bearing college and university indicia under ethically unacceptable working conditions such as sweated, child, sub-living-wage, discriminatory, unsafe, and other forms of abusive labor;

(c) to codify and promote compliance with ethical standards of conduct by college and university licensors, and by manufacturers who use the indicia of those universities and colleges, including but not limited to standards for living wages, child labor, women's rights, the right to organize and bargain collectively, and health and safety, in light of the "Key WRC Principles."

(d) to gather and publicly disseminate information regarding the locations and conditions of workplaces where merchandise bearing college and university indicia is produced.

(e) Paragraphs (a) through (d) may also apply to such other goods as both the WRC and the respective affiliated institution shall agree to.

Motion to adopt the statement of purpose above.

Vote: 10 in favor, 0 opposed
Resolution passed unanimously

Permission requested to seek a Department of Justice letter with respect to anti-trust concerns for the WRC:

No objections
Resolution passed

Permission requested to seek an expert opinion letter with respect to anti-trust concerns for the WRC:

No objections.
Resolution passed

3) Incorporation:

Discussion: questions regarding whether the organization should be incorporated in New York and whether that limits the organization were considered.

Motion to incorporate the WRC in the state of New York including the previously decided resolutions on the statement of purpose.

Vote: 10 in favor 0 opposed

Resolution passed unanimously.

4) Officers:

Discussion centered on, a) the wording for the board decision to hire an Executive Director, b) the role of the Treasurer as described in the bylaws, c) and term and rotation of board officers.

a) Wording on Executive Director hiring:

Motion to change the wording in Executive Director (3.5.1) from “The board of directors may elect an executive director...” to “The board of directors may appoint an executive director...”

Vote: 10 in favor, 0 opposed

Resolution passed unanimously

b) Role of the Treasurer (bylaws 3.5.3)

Motion to change the wording in Treasurer (3.5.3) by 1) changing the first sentence to: “The board of directors shall elect a treasurer who shall oversee the financial affairs of the corporation.”, and 2) striking the language: “and shall receive and deposit in a bank or banks to be approved by the board of directors all the monies of the corporation and keep an accurate account thereof. He or she shall make disbursements subject to such regulations as may be determined from time to time by the board of directors, and shall make reports of the finances of the corporation annually and whenever requested by the board of directors or the executive director.”

Vote: 10 in favor, 0 opposed

Resolution passed unanimously

Discussion with respect to elections and terms for board officers: there appeared to be general agreement that this is not a critical issue for the board *at the moment* and can be deferred until another board meeting, or when the election of new officers is imminent.

5) Bylaws

Discussion on cosmetic changes that could be made in the bylaws: Agreement to bring drafting changes to the board after a committee has worked on them.

Motion to create a standing committee on bylaws and legal issues, including Marcella David, Mark Barenberg, David Moore, and others (perhaps Melany Newby, Sherri Levine)

No objections to motion

Committee will be created

6) Precedence statement.

This issue was discussed in brief when looking at item #2.: the incorporation of the WRC. It was discussed in terms of whether to include the “white paper” and/ or WRC Key Principles, in the statement of purpose. However the issue of precedence was considered an issue that was not critical to be decided at this meeting and will be discussed at the next Governing Board meeting.

7) Financial commitment of universities within the bylaws:

Motion to include in the bylaws the fiscal requirements of affiliated schools, using the language drafted in the white paper, and specifying that the governing board will revisit the fiscal requirements from time to time. The language in the white paper is as follows:

Member colleges and universities will fund the Consortium with a percentage of licensing revenue. For a college or university that collects royalties from a licensing program, initial dues shall be 1% of its previous year's licensing revenues (but in no case less than \$1,000 and with each year's dues payment capped at \$50,000 for any individual college or university). For a college or university that does not collect royalties from a licensing program, annual dues shall be \$1,000. These dues provisions will be reevaluated once the costs of running the Consortium become clearer.

The board requests that the committee on bylaws should figure out the precise placement of the financial commitment of universities within the bylaws.

Vote: no objections.

Resolution passed

8) Clarification of Advisory Council makeup:

Motion that between now and the next board meeting the Advisory Council should create statements about what their principals are with respect to determining their membership

Vote: 10 in favor, 0 opposed

Resolution passed unanimously

Motion to adopt bylaws including the previously discussed resolutions.

Vote: 10 in favor, 0 opposed

Resolution passed unanimously

II Governing Board Officers Election:

Nomination of George Miller for Chair

Vote: 10 in favor, 0 opposed

Congressman Miller unanimously elected Chair of the WRC

Nomination of Marcella David as Treasurer

Vote: 10 in favor, 0 opposed

Marcella David unanimously elected Treasurer of the WRC

Nomination of Peter Romer-Friedman as Secretary

Vote: 10 in favor, 0 opposed

Peter Romer-Friedman unanimously elected Secretary of the WRC

III Budget Revenues, and Fundraising:

Discussion:

The board discussed the following issues, and resolved them through discussion: 1) what was covered in the budget, and the necessity of reconsidering the budget, 2) had questions and answers about fiscal sponsorship, 3) costs of legal help,

The board passed resolutions on the following issues:

4) approving the budget as a guideline, 5) policies for collecting funds from schools, and 6) discussed possible and expected sources of funding

Issues that were resolved through discussion:

1) What is covered in the budget:

The board can modify the budget, and expects to look at it every few months. The staff and the treasurer will be in contact about sticking as close to the budget as possible in between formal board review.

2) Fiscal Sponsorship:

People of Faith Network will serve as the fiscal sponsor for all funds (both university contributions and foundation support), until the WRC has the capacity, with its own 501 c (3) tax exempt status, to manage its own funds.

3) Search Committee for Legal assistance:

The board will form a search committee to investigate pro bono (and if necessary paid) legal council for the WRC including: Mark Barenberg, Marcella David, Katie Quan, and David Moore.

4) Approving the budget

Motion to approve the proposed budget including the fiscal year within the proposed budget.

Votes: 10 in favor, 0 opposed

Resolution passed unanimously

5) Policies for collecting funds from colleges and universities:

a) Consideration of staffing and administration working group proposal to send a letter to participating universities and colleges by mid September requesting that they make their contributions:

Board recommendation: send an invoice with a cover letter requesting (for licensing schools) that we collect 1% of the gross licensing revenue for the most recent budget, and that the bill be sent to either the president or the chancellor of the institution. Rut Tufts, Larry Mann, and Maria Roeper will work on drafting the invoice and the letter. This will include an explanation of why we are requesting that funds be sent to our fiscal sponsor: People of Faith Network, instead of to the WRC directly.

No Objections

Resolution passed

b)**Motion** to adopt the following policy for contributions from multi-campus systems (modified from staffing and administration working group proposed language)

- An individual school in a multi-campus system with its own, independent licensing operations would be required to contribute a minimum of \$1,000 or a percentage of its licensing revenue, whichever is higher. Each school would meet the financial requirements of an affiliated member of the WRC.
- An individual school in a multi-campus system which does not have an independent licensing operation and whose licensing revenues are collected centrally would be considered part of

the system. Contributions would be assessed on the entire system, and the entire system would share a single voting membership on the WRC.

Votes: 10 in favor, 0 opposed
Resolution passed unanimously

Notes on membership in the WRC: as determined when discussing the bylaws earlier, it makes sense for the WRC to not be a membership organization. Therefore there can not be members and we should attempt to limit the colloquial references to “member schools” and instead call them “affiliates”. In addition, paying a contribution to the WRC is not the only actions that are required of affiliates of the Consortium, schools need to take actions to stop sweatshops, adopt codes of conduct, require disclosure information etc.

4) Process for exploring further funding options:

Motion to adopt staffing and administration working group proposal to continue their group, along with WRC staff, to explore additional foundation and governmental funding sources until an Executive Director is hired and assumes this responsibility.

No Objections,
Resolution passed.

IV Executive Director and Interim Staff

Discussion: Discussion centered around 1) Executive Director job description, and advertisement 2) Executive Director search hiring process 3) Interim staff.

1) Executive Director job description and advertisement:

Board suggestions to staffing and admin. Working group proposal:

- a) Change mission in job description to be consistent with the new statement of purpose
- b) Under “Job Summary” cut out the sentence “The Executive Director serves as the chief administrative officer of the Board of Directors of the Consortium...towards the accomplishment of its mission” and add the sentence “The Executive Director serves as the chief administrator, hired by, and responsible to the WRC and is charged with implementing policies and programs of the Consortium to accomplish its mission”.
- c) Under “Essential Functions”, “administration” number 2 change the wording to: “develop a financial base and annual budget for the Consortium and oversee its fiscal management.”
- d) Under “Essential Functions”, “administration”, add number 4: “Public relations; acts as principle spokesperson on behalf of the WRC.”
- e) Under “Training and Experience” strike the wording in number 3: “in a high profile, frequently contentious atmosphere”
- f) Under “training and experience” add number 8: “Experience in public relations”

Motion to adopt the Executive Director job description and advertisement with the above changes.

No objections
Resolution passed.

1) Executive Director search hiring process:

The board wanted the majority of the search committee members to be members of the WRC governing board, with a committee of either 6 or 5 members. In addition the board wanted there to be members from each constituency (Univ. caucus, students, Advisory Council) to have a voice on the committee. It was determined that there will be a five member committee including: Peter Romer-Friedman, Linda Chavez-Thompson, draft Eric Davis (if Eric not able to serve on the committee Rut Tufts would fill in), Kate Pfordresher from the Advisory Council, and draft Rich Appelbaum from the Advisory Council.

Motion to adopt this 5 member executive director search committee and timeline outlined by the staffing and administration working group.

No objections

Resolution passed.

2) Interim staff plan:

Motion to offer Maria Roeper the position of Interim Director at a salary of \$30,000 per year.

Vote: Motion passed unanimously

V Working Group Proposals and Recommendations:

Discussion: The discussion in this section included more general discussion than specific consideration of proposals. Discussion focused on 1) data collection working group 2) disclosure working group 3) networking working group 4) the formation of further working groups.

1) Data collection working group:

The group would like to continue to work, however they have run up against some logistical obstacles. (see working group report and proposal.) Some of the problems are based in confusion around the charges of this working group as opposed to the disclosure working group.

Board commentary: the collection of disclosure data should be organized by what we want to do with the information once it is collected. For the next Governing Board meeting the data collection working group should write up an explanation of how the information should be organized with utility in mind. In addition, before the schools who have not already requested disclosure information start requesting disclosure information from companies the WRC should define broad based disclosure better. This definition should be worked out through formal consultation with companies, local worker allied organizations, and WRC constituencies. Consultation with companies is a central tenant of the disclosure working group proposal. The board is uncomfortable with putting extensive information up on the web until there is a clearer understanding about what is to be done with this information.

1) Disclosure working group proposal:

Disclosure working group recommends three things: 1) consult constituencies and local NGO's about broad based disclosure utility 2) legal assistance in drafting suggested disclosure language for licensing agreements, 3) hold ten small consultative meetings with various companies about disclosure and educating them about the WRC.

Board discussion continued from data collection discussion:

The charges of the Disclosure working group and data collection are beginning to overlap. The proposal does not specify *who* should take part in the consultative meetings with industry representatives.

Motion by Marcella David to merge the data collection and disclosure working groups into one. The group should:

- 1) Write a proposal to the board on what the disclosure information should be used for and how the data base should be organized in light of this. The proposal should identify likely participants in a focus group to be consulted to help fine tune the information gathering process. The focus group may include representatives from companies, licensing groups, unions, NGO's, international allies, and others.
- 2) The group should move forward with consultative sessions upon gaining board approval, and when the necessary people from the WRC are available (for example it may be determined that the Executive Director should be involved in the meetings, in which case the group should wait until this person is hired.)
- 3) Hold off on putting information up on the web in any particular organized fashion.
- 4) Continue to work on gathering and cleaning the disclosure information that is currently available.

This group's work will be the central way in which the WRC will be "constructively engaged with the industry"

Committee participants: Rut Tufts offers to participate particularly to consult with universities and work on collective requests of disclosure information. Willing members of the other two working groups are also welcome to participate. David Moore would also like to continue with this group.

Vote: no objections.

Motion passed.

3) Networking working group:

Clearly it is central to the WRC to develop a network. The question ahead of us is how to build that network. Currently this work is being housed by Sweatshop Watch, and the plan includes working with students and others that are going abroad to relevant places.

Board discussion: The board is concerned about sending students into dangerous situations and has a concern with both moral and legal liability of this action. At the same time, students involved in this work are already going abroad and could be an excellent resource. There are also excellent academics and NGO partners going abroad that the WRC could connect to more formally. The board also emphasized the necessity of being careful about who is representing the WRC abroad. In addition, the board is concerned with developing criteria for NGO partners.

Motion to authorize Networking group to continue their work and to look into guidelines and liability for students making contact with NGO's about the WRC. Mark Barenberg offers to investigate student insurance methods used by Columbia for similar programs.

Vote: No objections

Motion to have Maria Roeper investigate board insurance.

Vote: No objections

4) The formation of further working groups:

Discussion: two further working groups were discussed: 1) a group to develop worker complaint protocols and procedures, and 2) pilot project development working group.

The WRC lost quorum before these potential committees could be decided upon. It was agreed that the board would discuss over e-mail the creation of a worker complaint working group, and it was determined that if ad-hoc groups wanted to develop pilot project proposals for the boards consideration they would be encouraged to do so.

VI Next Governing Board Meeting

The board determined that they would meet again in D.C. sometime within the first two weeks of October. This will hopefully allow the Executive Director search committee to have some candidates for review at the next meeting.