

# **Report of the Defense Fund Oversight Committee to the Biennial Presidents Meeting**

**Communications Workers of America  
Washington, DC  
June 2020**

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Defense Fund Oversight Committee  
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Through resolutions and rules adopted by various CWA conventions, the Defense Fund Oversight Committee (DFOC) is charged with the responsibility to review activities associated with the Robert Lilja Members' Relief Fund (RLMRF), the Strategic Industry Fund (SIF), and the Growth Fund (GF). The DFOC is authorized to examine receipts, disbursements, investments, and the administrative policies associated with the funds. The DFOC may also, with a 2/3rds vote, affirm CWA Executive Board actions that are consistent with the rules governing those funds. The DFOC is required to report its findings to each CWA Convention and make recommendations to the Convention where appropriate. The DFOC also issues a report at the Biennial Presidents meeting.

The DFOC met July 25 – 28, 2019 in Las Vegas, NV, and November 18 – 20, 2019 in Washington, D.C. The committee reviewed activities associated with The Robert Lilja Members' Relief Fund (RLMRF), Strategic Industry Fund (SIF), and Growth Fund (GF). The DFOC reviews new grant requests approved by the Executive Board during weekly conference calls and evaluates reallocation and grant extensions between our regular meetings. Due to COVID-19, the DFOC could not meet at CWA Headquarters in 2020, so we held a number of Virtual Meetings using the Zoom application.

On March 31, 2020, we held a virtual meeting with John Marco from the Segal-Marco Consulting Group (SMCG) to review his report on investments for the last quarter of 2019. On April 14, 2020, we held a virtual meeting with Jennifer Mink from Investment Performance Services (IPS). During the meeting we reviewed the performance of our investment manager for 2019 compared to market benchmarks for similar investment strategies based on the asset allocations authorized by the trustees of all the funds subject to oversight by the DFOC. The DFOC also held extended virtual meetings during April and May to prepare this report.

## **I. INVESTMENTS**

Prior to submitting this Biennial Report, the DFOC met with representatives of the Segal-Marco Consulting Group (SMCG) and Investment Performance Services (IPS) to review investment performance for each fund.

According to rules established at the 2019 CWA Convention, all earnings in the RLMRF are moved and split equally between the SIF and GF. (Under the prior rules one-half of the earnings in the RLMRF were moved to the GF.) The 2019 earnings on RLMRF investments were \$52,400,000, and the entire amount was transferred and split between the SIF and the GF.

According to RLMRF guidelines, when the RLMRF's assets fall below \$400 million, one half of the investment earnings are retained by the RLMRF. When the fund's assets fall below the floor of \$377,484,108, the quarter hour of dues that would otherwise be sent to the SIF and GF are retained by the RLMRF. Once the target floor balance is achieved, the quarter hour of dues is redirected to the SIF and GF, and the RLMRF's growth is fueled by investment returns and asset appreciation. When the RLMRF reserves reach \$500,000,000, the floor will be raised to \$400,000,000.

## II. THE ROBERT LILJA MEMBERS' RELIEF FUND

The balance of the RLMRF as of March 31, 2020, was \$413,394,670.

### **Expenditures — June 1, 2019 – March 31, 2020**

#### **Strikes/Victims HEROES of Collective Bargaining**

During this period, there were no strike-related payments and one victim HERO of collective bargaining allocation.

#### **Victims HEROES of Collective Bargaining Expenditures:**

Stephens Media Group – Local 51024      \$51,200

#### **Mortgages**

The DFOC reviewed the current mortgages to locals held by the RLMRF. All mortgages are current. The fund is the first lien holder, and loans may be up to 80% of current appraised value with a clear title. Mortgages as of March 31, 2020, are:

<b>LOCAL</b>	<b>BALANCE @ 3/31/2020</b>	<b>LOAN AMOUNT</b>
1038	\$170,711.54	\$212,000.00
1133	338,000.65	997,986.67
2009	77,127.86	80,000.00
2108	386,123.62	698,000.00
3105	34,139.52	35000.00
3112	19,140.46	25,000.00
3412	12,510.59	15,200.00
3704	68,200.98	80,000.00
4100	221,271.58	334,000.00
4340	624,901.50	722,578.39
4501	9,960.80	158,000.00
7704	43,431.84	66,026.03
7708	24,743.46	265,000.00
7803	73,384.07	190,000.00
9003	273,390.40	303,246.24
9415	169,436.04	200,000.00
9423	167,692.54	906,216.15
9509	513,165.38	850,000.00
9510	231,633.99	250,000.00
9586	590,124.65	600,000.00
9588	174,888.90	200,000.00
83770	208,783.65	210,000.00
<b>Total</b>	<b>\$4,432,764.02</b>	<b>\$7,398,253.48</b>

### III. STRATEGIC INDUSTRY FUND (SIF)

**The balance of the Strategic Industry Fund as of March 31, 2020, was \$97,873,145.**

The Strategic Industry Fund campaigns approved by the Executive Board and the DFOC continue to increase our leverage at the bargaining table and advance our major policy initiatives. Since we began approving SIF allocations in 2006 we have funded many successful projects and continue to incorporate insights from each project into our project management practices.

The campaigns operate with specific budgets and clear, measurable benchmarks with six-month evaluations. We currently have 124 active SIF campaigns.

NOTE: Any member wishing to review a SIF report should contact the Secretary-Treasurer's office.

#### **SIF INCOME and EXPENSES as of March 31, 2020:**

Total Income, since inception September 2006	\$329,318,821
Total Expenses, since inception September 2006	\$229,777,573
Allocated SIF Balance	\$30,527,246
Unallocated SIF Balance	\$69,014,002

### IV. GROWTH FUND (GF)

**The balance of the Growth Fund as of March 31, 2020, was \$36,326,596.**

At the 74<sup>th</sup> CWA Convention held in April 2013, the delegates approved this committee's recommendation for the establishment of the Growth Fund, which uses one half of the RLMRF's annual earnings to invest in campaigns that have the potential to change the course of our movement and our nation. With the establishment of the Growth Fund, the Defense Fund Oversight Committee's responsibilities were expanded to include participation, with the Executive Board, in the approval and evaluation of Growth Fund requests.

The Growth Fund supports and enhances the Union's movement building, organizing, leadership development, research, industry analysis and efforts to achieve economic justice. The Growth Fund can be used to hire staff needed to launch new campaigns and support existing efforts.

The campaigns operate with specific budgets and clear, measurable benchmarks with six-month evaluations. We currently have twenty-four (24) active Growth Fund campaigns.

NOTE: Any member wishing to review a Growth Fund report should contact the Secretary-Treasurer's office.

Total Income	\$89,163,146
Total Allocated	\$70,103,167
Bank Fees	\$3,581
Total Unallocated	\$19,056,398

## **V. CWA Strategic Industry and Growth Fund Projects During COVID-19**

During these unprecedented times, CWA must be a leader and innovator when it comes to meeting our current membership's needs and reaching out to people who need union representation.

Social distancing, shelter-in-place orders, and homeschooling by CWA's local leaders, activists and staff during the COVID-19 pandemic has required CWA to develop new strategies for achieving our Strategic Industry Fund (SIF) and Growth Fund (GF) project goals. CWA took a deep dive into these projects and quickly revamped training, bargaining, mobilization, organizing, and legislative and political projects with COVID-19 protocols in place. The DFOC convened weekly via conference calls or virtual meetings where we reviewed, received clarification on, and usually approved project reallocations and extensions made necessary because of COVID-19.

Senior staff are drafting and reviewing new projects to ensure that they take COVID-19 conditions into account. In addition, proposal and benchmark goals are being developed with contingency lines to allow additional funding in the event that, during the length of the project, some of the COVID-19 protocols are loosened to safely allow for normal project delivery methods such as face-to-face training, large gatherings, and travel. This will eliminate the need to revisit the proposal if conditions change, facilitating a quick, seamless transition into a more robust project. If contingency funds are not utilized, they will be returned to the Growth Fund or Strategic Industry Fund silo.

### **Organizing During COVID-19 and Beyond**

Throughout COVID-19, CWA has been proactive in reviewing and altering our tactics in all activities within the Union's organizing campaigns. The aim is to work creatively in order to continue meeting all obtainable goals, and to do so with the most prudent use of allocated resources.

In order to safeguard CWA staff and slow the spread of the virus, CWA began limiting travel the week of March 2, 2020. District organizing coordinators, senior campaign leads, and district/sector/HQ organizing administrative staff have increased the frequency of their check in calls and included campaign assistants and leads on some calls. These calls have allowed the Organizing Department to communicate information about travel restrictions and best practices and collaborate on the tactics and methods needed to successfully help workers organize during this time.

During these calls, organizers identified a need for a coordinated effort across different campaigns as workers grappled with the impact of COVID-19 and organizing campaigns transitioned to remote field work. The Organizing Department quickly arranged a multi-campaign telephone town hall call for more than 1,000 mostly non-union workers in healthcare, higher education, the wireless industry, banking, and government contract call centers. Workers on the calls discussed how they were fighting for increased health and safety and job protections during COVID-19.

Early on it became clear that the need to support workplace actions by non-union workers would be greater than our organizers' capability to speak individually with every non-union worker who reached out for help. In response, the Organizing Department developed a *CWA Tools for Non-Union Workers* website and published it on March 23, 2020 to support all of CWA's SIF and GF-funded strategic organizing campaigns. This new online resource has generated in hundreds of additional leads, thousands of views, and positive press for CWA.

Responding to COVID-19's impacts on our Union's organizing efforts requires ongoing troubleshooting. Campaigns that rely heavily on worksite and home visits, especially CWA Strong internal organizing, are now utilizing phone and hustle text banking, and have worked rapidly to develop and deploy electronic membership cards. These tools enable the Union to reach represented workers directly to update contact information for existing members, to get permission to add them to our broadcast text messages list, and to make it easier for non-members to join.

Two campaigns that have seen a particular increase in activity due to workers with COVID-19 concerns expressing interest in building union power are the Maximus government contract call center campaign and the Wireless campaign. The Organizing Department is helping these workers identify strategic actions they can take, including filing for NLRB elections, even in areas where organizers and workers can only meet by video call, phone, and text.

The SIF and GF organizing staff are engaging in extensive training around best practices for Zoom-based committee training and meetings, using electronic graphics creation tools to fill the void left by not utilizing handbills and to refresh staff knowledge on CWA's organizing model.

The decreased functionality of Donald Trump's NLRB, already a prior to the pandemic, has become even more of a challenge. A half-dozen elections have been delayed, and in some instances, postponed indefinitely. Because of this, employers are not agreeing to mail balloting, and the NLRB regional director is not ordering vote-by-mail. Responses such as these have continued even after the board publicly stated it had "reopened." And yet, unsurprisingly, the board has been more forward with accepting decertification petitions throughout the crisis and without delay.

### **Education During COVID-19**

COVID-19 has presented challenges to a great deal of the essential work of the Union. CWA has risen to meet the challenges in our bargaining, mobilization, and movement-building work.

One way the Union has met this challenge is through development of resources and support for our staff to make sure they are equipped and comfortable using Zoom and other technologies—critical elements for carrying out our work during this time. For example, utilizing these technologies has helped to expand mobilization training for Frontier members, both nationally and in District 9. Pre-COVID-19 training materials have been converted to Zoom, with staff making them as interactive as possible through Zoom features like polling and non-verbal participant feedback. This has also enabled the Union to adjust training on a regular basis as the situation at Frontier develops.

CWA has continued to build commitment to stewards through releasing the newly revamped CWA Steward Strong training materials. A web portal has been created where locals and stewards can download steward training materials as well as additional resources on organizing, mobilizing, and representation to support their work during this time. CWA has also provided an online COVID-19 resource toolkit for our members.

COVID-19 has only further exposed the underlying inequalities in our economic, social, and political system. CWA has not let physical distancing stand in the way of our union's important role in building a movement for social justice in this country. CWA also partnered with the Poor People's Campaign to host a Facebook Live on May Day, discussing the impact of COVID-19 and calling for an Essential Workers Bill of Rights.

As our members work heroically and risk their lives every day to keep our country running during this crisis, our union has found creative ways to ensure that our members and working-class people across this country continue to build power and have a voice on the job and in their communities. We will continue doing everything we can to keep CWA Strong during these challenging times.

### **Legislative and Political**

Earlier this year, the DFOC approved a multi-siloed SIF titled 2020 Workers' Rights (SIF 45T). The goal of this multi-siloed SIF is to create an environment to move labor law reform in 2021, including making it an issue with CWA members and voters and a winning political issue for candidates who commit to pass labor law reforms to strengthen unions after the elections.

On February 6, 2020, the House of Representatives voted to pass the PRO ACT (H.R. 2474) by a vote of 224 to 193.

- 5 Republicans voted Yay: Van Drew, Smith, Fitzpatrick, Katko, Young
- 7 Democrats voted Nay: Cuellar, Cunningham, Horn, McAdams, McBath, Murphy, Schrader
- In addition, Hern's (R-OK) motion to recommit, which was an anti-immigrant amendment, was voted down 223-193 with 3 Dems (Cunningham, Peterson, Spanbarger) voting "YAY"

As part of our union's efforts to move "soft" Trump voters in battleground states, CWA ran a layered field-digital-mail program in the targeted four Senate states of Arizona, Colorado, Georgia, and North Carolina on the PRO ACT leading up to the House vote and post-vote. In total, Congress received 52,802 messages from CWA in support of the bill (14,181 from field and 38,621 from online). CWA held 66 workplace and direct actions leading up to the House vote and post-vote accountability/thank you campaign.

CWA convened a coalition of unions and progressive organizations to push for the bill, including leading joint days of action. This helped get 139 signers to a broad coalition letter and an environmental/climate change advocate's letter in support of the bill. This work has moved now in light of COVID-19 to focus more aggressively on phone and text banking as well as using traditional mail to have more communications with our members; this would have been done previously in the workplaces.

The Legislative Department has focused on training our LPAT state coordinators and key activists on the various digital tools available to reach and engage with our members. CWA members are indeed more willing to engage directly on the phone or via text, while viewing the Union as a messenger that they want to hear from and are willing to take actions if tied to COVID-19.

### **NewsGuild Victories**

The NewsGuild is facing a once-in-a-generation moment. TNG/CWA could organize every journalist and media worker in the country. The NewsGuild is getting leads every single day and therefore has pivoted to organizing online during COVID-19 and has had successful wins at ten (10) shops since January 1, 2020, representing about 375 new members.

As of May 20, TNG/CWA has active public campaigns at another dozen shops representing another 350 potential new members. The ticking time bomb challenge from the past couple of years—and exacerbated by COVID-19 and the hiring freeze—is how the NewsGuild now bargains first contracts.

In addition the Save the News SIF is supporting TNG/CWA's campaign to save media worker jobs and is showing signs of success, with relevant legislation gaining bipartisan support in both chambers of Congress.

The Media Organizing SIF Phase 4 is directly responsible for the NewsGuild's growth and continues to exceed goals there. The CWA Strong SIF has supported increased structure building at many locals that have become disconnected from the rest of the Union. Now, many of those groups are rebuilding their power and fighting against concessions during COVID-19.

With limited staff, TNG/CWA is looking at building more SIF and Growth Fund projects to help with the explosive, record-setting growth.

## **Public Sector Internal Organizing Database Success**

Huge strides have been made in managing data to support public sector organizing in the last year. The Data Specialist working on public sector campaigns has done significant programming to move data from Aptify and other sources into BroadStripes. BroadStripes data for SUNY, Albuquerque schools, and New Jersey State Workers is now more complete and more quickly updated. As the work required to migrate data has decreased, she has been able to dedicate time to other projects, including monthly reports for New Jersey and contributing to the development of a robust organizing tool, Action Builder, which is offered at no cost to AFL-CIO affiliates. She helped launch the United Campus Workers campaigns in this tool, and it may become a suitable replacement for all campaigns in BroadStripes. By improving the quality of the data used to support these campaigns, organizing efforts are better informed and more efficient.

## **IUE-CWA Successes**

**Lean Program:** In 2019, through the involvement of the IUE/CWA Lean program at Local 81201 in Lynn, Massachusetts, we have been able to secure investment dollars and stop much of the outsourcing of work at the Local, which represents GE Aviation workers.

The two-day IUE/CWA Lean classes helped the Local's members understand the importance of Lean and taught them how to be a positive part of the process. The classes illustrated to management the importance of Union members' input in how their jobs are set up and run.

Prior to the classes, shaft output at the facility was not meeting expectations and work had been farmed out. Our goal was to increase production from seven (7) to twenty (20) per day. Because our Lean program brought together member suggestions and ideas and support from engineers and management, the plant is now consistently able to meet the goal, which resulted in the Local securing \$1,247,000 in GE investments into the plant and outsourced work returning to the bargaining unit.

**Mentorship Program:** The IUE-CWA Mentorship program has consistently had success in preparing and motivating members to get involved and become leaders at the Local level. In 2019, Ebony Burgess from Local 81381 graduated from the year-long Mentorship program. When her Local president stepped down later in the year, Ebony ran for the office of President and was overwhelmingly elected by her membership. Also a member of our Diversity program, Ebony gives credit for her success to her mentoring experiences and the confidence she gained in both programs, which are funded through the Strategic Industry Fund.

## **VI. Conclusion**

The DFOC wishes to thank Mary Catucci, Elizabeth Wilks, and Ameenah Salaam for their assistance in preparing this report and their support in conducting the business of the DFOC throughout the year.

Respectfully Submitted,

The Defense Fund Oversight Committee

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James Gardler, District 2-13  
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Gary Kundrat, District 4  
Nancy Brown, District 6  
Cecilia Valdez, District 7 – Vice Chair

Monica Alvarado, District 9  
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John Lewis, IUE-CWA  
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