

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

**Communications Workers of America  
Washington, D.C.  
June 2024**

**Report of the  
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 two-thirds 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.

DFOC met July 6-8, 2023, in St. Louis, MO, September 12, 2023, and November 13-15, 2023, and April 22-24, 2024, in Washington, D.C. The DFOC reviewed new grant requests approved by the Executive Board as well as reallocations, extensions, evaluations, and other emergent issues during our regularly scheduled weekly meetings every Friday. The committee also reviewed activities associated with The Robert Lilja Members' Relief Fund (RLMRF), Strategic Industry Fund (SIF), and Growth Fund (GF).

On April 22, 2024, John Marco from the Segal-Marco Consulting Group (SMCG) met with us to review his report on investments for the period ending March 2024. We also reviewed the written report from Investment Performance Services (IPS) regarding the performance of our investment manager.

**INVESTMENTS**

According to the 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.) In 2021 investment returns were \$24,600,000 and distributed according to the directives in Resolution One of the 77<sup>th</sup> Convention. Distributions were made to the SIF and GF and for affiliation dues to the AFL-CIO. In 2022 investment losses were \$47,349,951 therefore no distributions were made to the SIF and GF for that calendar year.

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 is 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.

## **THE ROBERT LILJA MEMBERS' RELIEF FUND**

### **Loans**

\$40,400,000 Interest-only Loan to CWA, all interest payments are up to date. There are no provisions in the loan agreement to pay down the principal currently.

### **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 February 29, 2024, are:

<b>Local</b>	<b>Current Balance</b>	<b>Original Loan Amount</b>
1038	\$117,818.46	\$212,000.00
1133	\$7,606.13	\$997,986.67
2108	\$180,631.54	\$698,000.00
3105	\$26,939.38	\$35,000.00
3112	\$12,818.31	\$25,000.00
3412	\$8,861.75	\$15,200.00
3706	\$189,261.08	\$196,000.00
4100	\$143,580.42	\$334,000.00
4340	\$458,222.71	\$722,578.39
7803	\$13,901.69	\$190,000.00
9003	\$241,439.52	\$303,246.24
9415	\$122,593.97	\$200,000.00
9509	\$171,954.53	\$850,000.00
9510	\$208,797.77	\$250,000.00
9586	\$544,151.89	\$600,000.00
9588	\$153,850.70	\$200,000.00

81455	\$250,250.31	\$260,000.00
83770	\$153,327.69	\$210,000.00
<b>TOTAL</b>	<b>\$3,006,007.84</b>	<b>\$6,299,011.30</b>

**Expenditures — May 1, 2023 – February 29, 2024**

**Strikes/Heroes of Collective Bargaining**

During this period, there were three strikes and two heroes of collective bargaining allocations.

**Strike Related Expenditures:**

Northstar Aerospace – Local 14430	\$301,955.65
Pittsburgh Post Gazette – Local 14827	\$179,566.00
Pittsburgh Post Gazette – Local 14842	\$356,257.03
Pittsburgh Post Gazette – Local 38061	\$906,193.20
TVO – Local 30213	\$202,857.27
HO CB – Nexstar Media – Local 54047	\$15,000.00
HO CB – Vista Entertainment Solutions	\$77,672.18

**The balance of the RLMRF as of February 29, 2024, was \$412,101,254.**

**STRATEGIC INDUSTRY FUND (SIF)**

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 eighty-six active SIF campaigns. The SIF also provides funds for the SMART program discussed later in this report.

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

**SIF INCOME and EXPENSES as of February 29, 2024:**

Total Income, since inception September 2006	\$405,569,019
Total Expenses, since inception September 2006	\$339,606,529
Allocated SIF Balance	\$35,367,159
Allocated SMART Balance	\$13,436,210
Unallocated SIF Balance	\$17,159,121

**The balance of the Strategic Industry Fund as of February 29, 2024, was \$66,564,271.**

**GROWTH FUND (GF)**

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 thirty-six active Growth Fund campaigns.

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

**Growth Fund INCOME and EXPENSES as of February 29, 2024:**

Total Income	\$152,846,647
Total Allocated	\$142,920,028
Total Unallocated	\$9,926,619

**The balance of the Growth Fund as of February 29, 2024, was \$38,851,303.**

## **Support Members and Rebuild Together (SMART) Resolution**

At the 2021 Convention, delegates passed the SMART resolution to hire twenty-eight staff using the members' dues and investment income to serve us at the front lines in contract negotiations, administering contracts, and organizing to achieve our goals.

Twenty-eight staff members have been hired and are serving our members. In addition, the general fund budget includes a proposal for the hiring of an additional twenty-five staff in various parts of the union.

The funding of the twenty-eight positions requires semi-annual reporting to the DFOC and a review and reauthorization to continue or modify funding from the SIF by the CWA Convention the year after the membership target of 500,000 is achieved.

## **OUR MISSION**

The DFOC was created to oversee the Robert Lilja Members' Relief Fund (RLMRF), and later assumed oversight responsibility for the Strategic Industry Fund (SIF), and the Growth Fund (GF). The delegates, elected by the members, through convention action, have entrusted us to support our collective goal of achieving better contracts. In the past, that meant striking. The MRF was designed to support strikes by minimizing the hardships placed on our members. We soon realized that we could achieve our goals without a strike if we acted smarter by acting strategically. This led to the establishment of the SIF to fund strategic organizing, membership mobilization and political leverage to achieve good results at the bargaining table without striking, and the Growth Fund for building a better bargaining climate by promoting innovative approaches in building a movement for economic justice and democracy that supports growth in our union and the labor movement. In addition, this investment in growth is designed to find organizing targets in an ever-changing economy our members and union must adapt to.

We understand that the goal of all these funds is to get the best contracts we can for our members. A strike is not an end; it is a means to an end. Our goal is a great contract that offers our members the economic security they deserve for the contributions they make to the enterprises that employ them.

## **Conclusion**

The DFOC wishes to thank Mary Catucci for her support in conducting the business of the DFOC throughout the year. We would also like to thank her team, Chante Webster-Johnson, Stephanie Adkisson and Craig Nixon, for their continued help with the day-to-day operations of the SIF and Growth fund and Eoin Fitzgerald for his assistance in preparing this report.

Respectfully Submitted,

The Defense Fund Oversight Committee

Ken McNamara	District 1	Monica Alvarado	District 9
James Gardler	District 2-13	Robin Blair-Batte	PHEW
Keith Patterson	District 3	John Lewis	IUE-CWA–Vice Chair
Gary Kundrat	District 4	Jeffrey Heisey	Airline Sector
Nancy Brown	District 6	Bill O’Meara	Media Sector
Cecilia Valdez	District 7 – Chair		