

# The Executive Council The Economic Justice Implementation Committee

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## MEMBERSHIP

### Bishops

The Rt. Rev. G. P. Mellick Belshaw, New Jersey

The Rt. Rev. H. Irving Mayson, Michigan (Chair)

The Rt. Rev. William Sanders, East Tennessee

### Presbyters

The Rev. Harry J. Bowie, Mississippi (canonically resident in New Jersey)

The Rev. Norman J. Faramelli, Massachusetts

The Rev. Almus M. Thorp, Jr., Michigan

### Laity

Ms. Marva Smith Battle-Bey, Los Angeles

Mr. Eugene Bowens, Atlanta

Mr. Marcus Cummings, Southern Ohio (CHN liaison)

Ms. Amy Lee Domini, Massachusetts (appointed 1990)

Ms. Joon Matsumura, Los Angeles (appointed 1989)

Ms. Rose Robinson, Washington (appointed 1989)

Mr. Albert R. Rodriguez, Texas (Finance officer)

Mr. Ernest Ruppe, Delaware

Mr. Alfredo Salguero, El Salvador (appointed 1989)

Ms. Anne Scheibner, Washington

Ms. Chris Weiss, West Virginia

Timothy D. Wittlinger, Esq., Michigan (Secretary)

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### Executive Council Liaison

David Booth Beers, Esq., Washington

### Representatives of the Committee at General Convention

The Rt. Rev. H. Irving Mayson, House of Bishops, is authorized by the committee to receive non-substantive amendments to the report.

The Rev. Almus M. Thorp, Jr., and Mr. Timothy D. Wittlinger, House of Deputies, are authorized by the committee to receive non-substantive amendments to the report.

### STRUCTURE OF THE COMMITTEE

The committee, formed by action of the 69th General Convention, met for the first time in January, 1989. Since then, it has met eight additional times. Locations of meetings have been primarily in New York, but the committee has also met in Philadelphia, Los Angeles, and in Province IX. At the request of the committee that representatives of Province IX, the Asian community and the Native American community be added as members, Mr. Salguero and Mesdames Matsumura and Robinson were appointed as members in 1989.

The committee is accountable to, and regularly reports to the Executive Council, through the Council's Standing Committee on Witness and Outreach. Status reports were made to the Council at its meetings in Pittsburgh, New York, Kansas City and Fresno. Action by the Council on recommendations of the committee are set forth below in this report.

To carry out its work, the committee established a number of working subcommittees, which report regularly to the full committee. The major subcommittees are Structure, Funding Strategies and Alternatives, Proposal Review, Outreach and Dialogue with Dioceses, and Information Gathering and Site Visits (the latter two later combined in 1990 as the Subcommittee on Information and Diocesan Outreach).

### SUMMARY OF THE COMMITTEE'S WORK

#### AIM AND OPERATING PRINCIPLES

Clearly, the primary goal of the committee is the implementation of 69th General Convention Resolution C030a, dealing with economic justice and the empowerment of the disadvantaged and those who do not have access to the economic resources of their community. Much of the early discussion of the committee centered on the subject of just how such was to be accomplished. Always primary in focus was the theological and biblical foundation upon which the concept of economic justice is rooted. The "Jubilee Year" (Leviticus 25), recording the redistribution of the land, mandates our effort to restore the availability of economic equality to all persons. The committee felt strongly that its emphasis must be on systemic models of change rather than on direct action programs. "When the number of sufferers becomes too large, private charity cannot cope with the ills of society; love then requires structural measures to achieve social justice." (Mott, *Biblical Ethics and Social Change*, 1982, p. 68). Consensus was reached and the committee moved forward with action plans to further its primary task.

In that regard, a number of questions arose concerning the identity and structure of the committee and its relationship to the Executive Council, the Coalition for Human Needs (CHN), and other agencies. After meeting with representatives of the Church Center staff and the Executive Council, the committee adopted a statement of aim coupled with a partial statement of operating principles. That statement is as follows:

I. Preliminary Statement

This document constitutes a partial statement of operating principles of the EJIC to the extent developed to date. The committee has concentrated solely on operating principles that relate to the grant and loan criteria. This document does not yet address operating principles relating to some additional functions of the EJIC, such as the extensive work done by the EJIC in providing resources, manuals, and consultation with dioceses and provinces, exploring and retaining independent resources such as the Community Information Exchange, and other similar work.

The document attempts to maintain faithfulness to the aim of the EJIC, approved at the January, 1989 (and amended at the September, 1989) meeting of the EJIC. The aim statement, which itself is based on the charge given to the EJIC by General Convention Resolution C030a, is as follows:

II. Aim Statement

The primary focus of the EJIC will be in cooperative models of economic justice and empowerment, such as land trusts, cooperative housing, worker-owned businesses and community development credit unions. Other models of economic justice and empowerment will be considered if they conform to the spirit of the General Convention resolution and its theological emphasis. The primary test will be whether the direct recipient of funds has collaborative community accountability and/or direct ownership by the poor and disadvantaged, and meets the basic threshold requirements of empowerment, economic justice and constituent participation.

The EJIC recognizes a need to work in close partnership with the Executive Council and its Standing Committee on Witness and Outreach. In that regard, the EJIC sees one of its tasks as identifying prospective sources of funding and developing strategic plans for fund-raising. Included within the scope of this task is the responsibility for education and marketing, leading to the understanding of, support for and implementation of these strategic plans, with the expectation that the responsibility for raising money will rest with the Executive Council or its designees.

III. Partial Operating Principles

- A. The EJIC is responsible for the development and education as to economic justice throughout the Episcopal Church. It is accountable to the Executive Council. It will, from time to time, develop proposed policies for approval by Executive Council and at the same time work closely with diocesan and other local efforts in the area of economic justice. It will seek reestablishment as a committee at the 70th General Convention for the next triennium.
- B. The Internal Working Group (IWG) is composed of Episcopal Church Center staff who work at least part of the time in connection with economic justice issues or projects. This group consults with and acts as a resource to the EJIC. The IWG will work in dioceses as needed and in addition will implement the decisions and work plans of the EJIC. It will gather data, engage in networking and generate ideas to bring to the EJIC. Dr. Gloria Brown, staff officer of the Coalition for Human Needs (CHN) has been appointed by the Presiding Bishop to serve as staff officer for the EJIC.

- C. The monies appropriated from the general program budget (currently \$200,000) for economic justice are Episcopal Church Center monies and administered by Dr. Gloria Brown. The EJIC may make recommendations to Dr. Brown concerning the use of these monies. It is expected that the monies will be used primarily for operating expenses of the EJIC, subcontracted resource materials and staff, assistance to local dioceses, funding economic justice conferences, and other such matters. The budget of the EJIC is approved by Executive Council. The EJIC may seek Executive Council approval for the allocation of a portion of its budget to CHN for actual grants to economic justice projects. The EJIC itself is not a grant or loan-making agency, but an agency designated to recommend possible grants and loans for consideration by CHN, based on economic justice criteria drafted by the EJIC and approved by Executive Council.
- D. The EJIC is charged with making recommendations and developing proposed strategies for raising \$24,000,000 for the National Episcopal Fund for Community Development and Economic Justice (the FUND). The EJIC, being part of a program unit of the Episcopal Church, cannot raise funds itself. However, it will be intimately involved in the recommendation of plans and strategies for the raising of monies, and where appropriate, will assist in the implementation of such plans and strategies. The EJIC will emphasize clearly stated specific strategies before bringing them to Executive Council. The Executive Council must approve strategies and tactics. The final responsibility for the raising of monies for the FUND rests with the Executive Council or its designees.
- E. The investment in the FUND in the amount of \$3,500,000 approved by the Executive Council in November, 1989, is recognized by the EJIC as a FUND investment, a response by the Executive Council to General Convention Resolution C030a, and to be administered by CHN. The EJIC has developed criteria for the utilization of that money. These criteria provide, among other things, that loans from the FUND be made through various intermediaries (for example, revolving loan funds already established). Again, the EJIC will make specific recommendations as to the structure and operation of the FUND, the identity of the intermediaries, as well as criteria for loans from the FUND. The EJIC will also make recommendations to CHN for actual disbursement of loan funds for various projects, as part of the EJIC/CHN partnership. The precise terms of the partnership arrangement (respecting loans) between the EJIC and CHN are in the process of being refined based on the excellent working relations between the two agencies to date. The arrangement will be similar to the ongoing partnership between the EJIC and CHN regarding economic justice grants, in which the EJIC has been acting in an advisory capacity to CHN.
- F. Proposed grant and loan criteria have been developed by the EJIC and approved by the Executive Council.
- G. The Executive Council has given authority to CHN to make grants and loans. General Convention Resolution C030a specifically authorizes CHN to administer the FUND. The EJIC works within this structure, continuing to act in an advisory role to CHN in the area of economic justice.

**GRANT AND LOAN CRITERIA**

Should monies become available for economic justice grants, either from CHN funds or other sources, and as the National Episcopal Fund for Community Development and

Economical Justice (the FUND) becomes operational, it was deemed important to develop special criteria against which applications and proposals will be reviewed and recommendations made. The committee, after much deliberation, approved the following criteria, which were approved by the Executive Council at its Fresno meeting. The committee utilizes these criteria in evaluating requests for funding.

### GRANT CRITERIA

The project which is the subject of a grant shall:

1. Contain a plan for "empowerment."
2. Relate to "economic justice."
3. Be subject to a high level of participation and control by the constituent community.
4. Have the potential for leveraging additional benefits and resources (financial and otherwise).
5. Promote partnerships (where appropriate) among the public, private, and religious sectors and the constituent community.
6. Foster a determined element of cooperation and community.
7. Have societal impact by benefiting the larger community.
8. Contain aspects or elements that can be adopted in other contexts.
9. Promote the involvement of the Church (both within the Episcopal tradition and ecumenically) in ministries with the poor, the powerless, and the oppressed.
10. Provide (if a long-term project) for acceptance of appropriate technical assistance from the EJIC in the development of plans for self-sufficiency and financial independence.
11. Ensure (except where inconsistent with the goals of the project) inclusivity of all people, without regard to gender, race, or ethnicity.
12. Have the potential for achieving its goals, as such goals are defined by its constituent community.
13. Contain a feasible funding plan that includes adequate funds for start-up, administration, and development of capital funds.
14. Be subject to the advice and signature of the bishop of the diocese where the project is located; provided, that in the case of a project located in a diocese in Province IX, in order to demonstrate a commitment to the appropriate grant needs and program structure of Province IX, the project shall be subject to the advice and written consents of the bishop, the Diocesan Social Betterment Committee, and the Provincial Social Betterment Committee.

### LOAN CRITERIA

1. Each loan shall be for a project that conforms to the Council's criteria for "Economic Justice Grants."
2. The loan shall be made to a small, medium, or large intermediary, such as a diocese, community development bank, other loan fund, or community-based agency, for a project approved by CHN, rather than directly to an individual borrower.
3. Each loan shall be evaluated as to the capacity of the borrower to comply with the particular repayment schedule and the eventual repayment of the loan,

- while recognizing that a goal of the economic justice program is to support and encourage newly formed intermediaries which may not yet have developed any credit history.
4. The rate of interest on the loan may vary up to market, depending upon the kind of loan and the need, with the intent of being flexible to meet emergency situations.
  5. The term of the loan shall not exceed ten years.
  6. The proceeds of the loan shall be used to leverage similar funding from other sources, if feasible.
  7. All applications from individual projects shall be subject to the advice and signature of the bishop of the diocese where the project is located; provided, that in the case of a project located in a diocese in Province IX, in order to demonstrate a commitment to the appropriate loan needs and program structure of Province IX, the loan shall only be made with the advice and written consents of the bishop, the Diocesan Social Betterment Committee, and the Provincial Social Betterment Committee.
  8. The amount of the loan shall not exceed \$100,000 and shall be consistent with the goal of having the average loan be in the \$25,000 to \$35,000 range.
  9. The subject of the loan shall be consistent with the policy that a significant percentage of loans made in any year shall be for projects in the area of housing (with other areas of funding including, but not being limited to, non-profit community-based entrepreneurial venture capital projects and micro-enterprise projects).
  10. Loan recipients (i.e., intermediaries) will agree to report regularly (at least quarterly) to CHN, with a copy to EJIC, as to the status of the loan, principal balance, use of proceeds, details of servicing, existence of any problems or repayment difficulties, and any other matter affecting the security of the loan or the viability of the project.

### **WORKING DEFINITIONS**

*Economic Justice*

Equitable access to available resources resulting in a reduction of inequalities based on income, wealth and power.

*Empowerment*

Actions or opportunities that allow, encourage and develop the ability of those who are powerless, oppressed and/or left out of the decision-making structures, to make decisions, determine actions and increase control of their own economic destiny.

*Community Control*

An organization or venture in which the authority for decisions or actions rests with the population who will be most affected by them.

*Local Effort*

Any project initiated in the area to be impacted as opposed to projects initiated by those having an interest but who are in fact absentee.

*Alternative Investment*

Investments consciously made which reflect an attempt by the investor to further a socially responsible position.

**ACTUAL GRANTS**

As a result of the Presiding Bishop's Challenge Program, \$140,000 of CHN grant monies per year were allocated specifically for economic justice grants in 1990 and 1991. In addition, the committee, not having spent all of its 1989 program budget, requested that \$90,000 be transferred to CHN for the purpose of additional economic justice grants. Upon recommendation of the committee, CHN has, as of the end of 1990, approved 24 grants in the total amount of \$219,000 for economic justice programs throughout the Church. The committee felt that it was a high priority to begin early to fund economic justice programs and to return monies to the wider Church.

Grants were made as follows:

- Weather and Retrofit Maintenance Training Program - (\$15,000)
- I.C.A. (Massachusetts) — (\$10,000)
- F.S.C. (Atlanta) - (\$15,000)
- Blue Lake (\$4,000)
- H.E.A.D.C. (Lexington) - (\$6,000)
- REAPS (New York) - (\$15,000)
- Las Delicias - (\$15,000)
- Stitching Foundation for Women's World Banking - (\$10,000)
- Province V Economic Justice Conference - (\$4,000)
- Ecumenical Housing Corporation - (\$10,000)
- Homebuyer Program and Investment Fund - (\$7,000)
- Women's World Banking - Miami Valley Affiliate - (\$8,000)
- Worker Owned Network - (\$10,000)
- Technical Outreach Program - (\$6,000)
- Interfaith Development Program (Maryland) - (\$10,000)
- Iron Range Community Ecumenical Ministry - (\$10,000)
- Burlington Ecumenical Action Ministry - Step 2 (\$5,000)
- TRACE Community Development (\$9,000)
- Charlotte Organizing Project (\$5,000)
- Co-op Fund of New England (\$5,000)
- LORICA Unlimited (\$7,000)
- New Majority Task Force (\$7,000)
- Tri-State Conference on Steel (\$10,000)
- Ixcan - Rice Thresher (\$16,000)

**NATIONAL EPISCOPAL FUND FOR COMMUNITY INVESTMENT AND ECONOMIC JUSTICE ("FUND")**

The committee decided early that the establishment of the FUND (primarily a revolving loan fund) should be guided by three overriding principles. First, the FUND should consist of new monies, and not just reflect the reallocation of monies presently being utilized in helping the poor.

Second, the FUND should not be a substitute for diocesan programs or attempt to siphon diocesan monies into the national Church. As one guest bishop stated to the committee at a recent meeting, "I don't want to send diocesan funds to New York and then have to present applications to get them back for needed projects in the diocese."

Finally, the committee hoped that the Executive Council would take a leadership role in the establishment of the FUND. In that regard, upon the urging of the com-

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mittee, the Executive Council, at its meeting in New York in 1989, did approve the investment of \$3,500,000 of unallocated trust fund assets as a loan to the FUND. This was a moment of joy in the life of the committee and a clear statement as to the importance of economic justice in the ministry of the Episcopal Church. The committee has already begun the process of recommending projects for receipt of loans from the FUND, utilizing the loan criteria set forth above.

At the urging of the committee and as an additional response to 69th General Convention Resolution C030a, the Executive Council also approved the investment of an additional \$3,500,000 of unallocated trust funds in socially responsible investment vehicles, the specific investments to be made upon recommendation of the Committee on Trust Funds.

As such, the Executive Council, at the urging of the committee, has committed the total amount of \$7,000,000 to the economic justice program. This may be the first time that such a significant amount of church funds has been committed to systemic economic change. In this process, a number of legal hurdles had to be overcome, as it was not clear that such unconventional methods of investing trust funds were permissible under the law. After an extensive legal review, the considered opinion is that such investments are generally permissible as long as they are consistent with the overall mission of the Church. It is hoped that dioceses and parishes will follow this lead and commit a portion of their endowment funds to economic justice investments.

### **OTHER FUNDING STRATEGIES**

Other work of the EJIC in the area of funding strategies include:

1. Retention of a consultant to draft proposals for grants for submission to various entities, including public and private foundations, the corporate sector, and other such sources of funding.
2. Development of a library of possible targets for funding requests, working in conjunction with representatives of the Council on Community Based Development.
3. Beginning the process of developing investment corporations at the diocesan level, by sharing information and resources, and by direct consultation with dioceses and provinces.
4. Working in close collaboration with the Office of Mission Planning and Development in an effort to share resources and ideas. In this regard, dialogue with the Presiding Bishop's Fund for World Relief (PBFWR) has continued, and has resulted in approximately \$30,000 in grants from the PBFWR to economic justice projects.
5. Direct contact with Episcopal foundations and endowed parishes and the furnishing of educational materials and consultation to the end of promoting increased "alternative" investments.
6. Working in connection with the establishment of a group of retired bishops who would commit themselves to raising funds for economic justice.

### **THE MANUAL - "ORGANIZING FOR ECONOMIC JUSTICE"**

Perhaps the most significant single activity of the EJIC during the triennium was the development of a comprehensive manual on economic justice for wide distribution and use throughout the Church. Not only does the manual give a basic background as



to the history and theology of economic justice, but it also provides specific information on the formation of local economic justice structures. It contains a thorough list of resources available for local efforts. Ten copies have been forwarded to each diocese, and additional copies are available upon request. The manual has been widely accepted and is in its second printing.

### **COMMUNITY INFORMATION EXCHANGE**

The committee has negotiated a working relationship with the Community Information Exchange (CIE) in Washington, D.C. This organization maintains a data bank of economic justice endeavors throughout the country, together with contact persons and other information needed to replicate the projects in other areas. Several dioceses were asked to participate in a pilot project to test the value of the CIE. The resource proved to be quite valuable and the committee is in the process of making it available to other dioceses and provinces throughout the Church.

At its September, 1990 meeting, the committee approved a long-term comprehensive relationship with the CIE, in which the CIE will assist in the dissemination of the economic justice manual. It will accomplish this in part by organizing and presenting a series of workshops throughout the Church, with an initial goal of one workshop in each province prior to the 1991 General Convention. The CIE will also provide follow-up services after each workshop, including an assessment of the technical assistance needs of the participants in the workshops. The CIE will also be involved in making provision for the access of the workshop participants to the needed technical assistance. Finally, the CIE will edit and circulate a newsletter on economic justice issues.

### **OTHER EFFORTS AT DIOCESAN AND LOCAL CONTACT AND DIALOGUE**

It was decided at the first meeting that one of the primary functions of the committee, if not the most important, was continued dialogue with dioceses and provinces, and the furnishing of technical assistance to them as they begin their own work in developing economic justice programs and structures on the local level. The committee began immediately to engage in consultations with fledgling (and in many cases, not so fledgling) economic justice committees and commissions throughout the country. Committee members and staff regularly participate in economic justice conferences and workshops at the diocesan and provincial level. Committee members and staff also endeavor to attend the periodic meetings of the Episcopal Urban Caucus, the "Under One Roof" conference and other such meetings. The committee also endeavors to place information about its work and about economic justice in general in publications, both Episcopal and secular. The ultimate goal is to assist in the development and implementation of economic justice activities at all levels of the Episcopal Church, as well as education concerning the concepts and theology of economic justice, as called for in General Convention Resolution C030a.

### **LIAISON WITH PROVINCE IX**

As mentioned above, it was decided to request a representative of Province IX to be appointed to the committee. This request was approved and Mr. Alfredo Salguero was so appointed. An effort is made to assure that all actions of the committee are reflective of the specific issues indigenous to Province IX, and to adjust policies that may impact the Ninth Province accordingly. This is reflected in the loan and grant criteria set forth above. Also, the manual referred to above has been edited for use in Province IX and

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has been published in Spanish. Representatives of the EJIC recently attended the meeting of the Province IX Synod and began specific dialogue with that Synod. The EJIC plans to hold one of its future meetings in Province IX.

Similar activities have been undertaken as to the unique posture of the Asian Community and the Native American community. The input of Mesdames Matsumura and Robinson are regularly sought on this subject.

### FINANCIAL REPORT AND BUDGET

During the triennium, the committee operated on a budget of \$200,000 per year. That was spend as follows:

	1989	1990	1991 (proposed)
Committee meetings	\$ 40,000	\$ 60,000	\$ 60,000
Site visits/consultations	40,000	70,000	40,000
Manual	-0-	20,000	10,000
Administration/technical assistance	30,000	30,000	60,000
Sub-contract expense	-0-	20,000	30,000
Funds requested to be transferred to CHN for grants	90,000	-0-	-0-
	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>

The committee's proposed budget per year for the next triennium is as follows:

Committee meetings	\$ 60,000
Sub-contract (CIE)	20,000
Consultants	20,000
Outreach/training/education in dioceses	70,000
Administration/resource material (including manuals)	30,000
	<u>\$200,000 per year</u>

### GOALS AND OBJECTIVES FOR THE NEXT TRIENNIUM

The committee intends to intensify its activities in connection with continued dialogue with dioceses and provinces to the end that they may find it easier to establish their own economic justice programs and structures, and find the necessary technical assistance in that regard. The committee will continue to evaluate economic justice applications for grants and loans from the FUND, and make recommendations to CHN for funding. The committee will continue its efforts to promote funding strategies so that resources of the FUND continue to increase. Finally, the committee will continue to publicize the concepts and theology of economic justice in the many forums available to it.

**RESOLUTIONS OF THE COMMITTEE**

**Resolution #A080**

- 1 *Resolved*, the House of \_\_\_\_\_ concurring, **That this 70th General Convention**  
2 **reestablish the Economic Justice Implementation Committee for the next triennium,**  
3 **with the responsibility for the continued implementation and oversight of economic**  
4 **justice, as set forth in 69th General Convention Resolution C030a.**

EXPLANATION

This will allow the committee to continue its work of education, implementation, development of funding strategies, and dialogue with dioceses, begun during the last triennium, to the end that economic justice stands as a major priority at all levels in the Episcopal Church. A review of the language and background materials of 69th General Convention Resolution C030a establishes that this resolution contemplated that the committee would be ongoing.

**Resolution #A081**

*Resolved*, the House of \_\_\_\_\_ concurring, **That this 70th General Convention**  
**appropriate, in the budget of the Convention for the triennium 1992-1994, the sum**  
**of \$600,000 for the work of the Economic Justice Implementation Committee.**

For the Committee  
Timothy D. Wittlinger  
Secretary