

# BOARD OF DIRECTORS - MINUTES

Board of Directors Meeting  
Santa Clara Marriott  
November 30 - December 1, 2012  
**MINUTES**

## **Board Members in Attendance**

- Mary Whited, Board Chair
- Maureen Todd, Board Treasurer
- Tami Raaker, Board Secretary
- Carl Schmidt, Board Chair-Elect
- Dennis Mifflin
- Laurie Andrews
- JoAna Sydow
- Mariam Shafiey

## **Board Members Participating Electronically**

- Kay Ferrier, State Advisor, California Department of Education

## **Staff in Attendance**

- Brycen Woodley, State Director
- Ryan Underwood, Executive Director

## **A. Introduction**

### **1. Call to Order**

The meeting was called to order by Board Chair Mary Whited at 3:12 p.m. on Saturday, December 1 following working group sessions from November 30 and December 1.

### **2. Welcome and Roll Call**

All Board members were in attendance with the exception of our State Advisor who has been in three weeks of jury duty and provided her report electronically.

### **3. Approval of the Minutes from October 16, 2012**

It was moved by Carl and seconded to approve the minutes of the October meeting as presented. The motion was adopted unanimously. The minutes will be filed online.

## B. Reports

### 1. State Officer Report

The State Officer Report was presented outlining state officer goals, progress, and measurables to date. Key goals include concentration on the DECA Thrive campaigns, State Project with Make a Wish, Membership increase of 10%, and DECA Advocacy throughout California. The Board expressed their appreciation for the hard work of the officers so far this year.

### 2. California Department of Education State Advisor Report

State Advisor Kay Ferrier reported electronically that state contract invoices are coming in on time.

The new DECA SB 70 contract will need to be written and detailed out in December and January. Please give more funds to new chapters and to existing basic chapter grants. The same contract total amount as the current year at \$184,000 should be planned on.

Per the Boards request, there is still not a complete set of instructions yet for exactly how to do all the correct things in the contract/invoice area from the California Department of Education. It is something that is needed but not ready yet.

The situation where the managers are handling most of your funds is not as out of line with Department requirements as initially thought. After reviewing how the other five CTSOs work, some are less comprehensive and less in compliance than DECA. But there are better ways to handle that realm for DECA that the Department would like to see. The good news is DECA is not off the mark as it originally seemed, especially since the California DECA American Express cards are using the organization's Tax ID number.

Look at the previous SB 70 tasks and analyze where money was not needed after all, (example: work with middle grades) and where the funds were denied that were billed for (example: industry receptions, etc), so that the next SB 70 contract is exactly what DECA needs to continue growing and supporting its chapters.

### 3. Financial Reports

#### a. 2011-2012 Financial Review

##### i. SB70 2011-12 Challenges & Solutions

Staff collected nearly 30 issues that had been reported by CDE contracts or that had been learned this year in terms of clarifications to documentation procedures and emailed this to the Board in the Fall. The primary challenges to be mindful of are: completing reports/invoices quarterly; conducting activities as described in the

contract or getting approval/amendment for modifications; detailed documentation of invoice and evidence of payment within the contract period.

ii. DECA Financial Management Process Overview

The Board members confirmed receipt and review of the PowerPoint presentation outlining procedures and processes for DECA financial management. It was very informative. The board appreciated the detail and understanding more clearly various methods and processes used to safeguard and manage funds.

iii. Board Reports from CDE

Mary reported that she had requested invoice status reports from CDE. She noted that she was receiving regular updates from management in terms of what had been submitted, but, that she believed the Board should also have confirmation of what has been received and ultimately approved so the Board could assist management in finding other approved uses for any funds not fully utilized. She will inquire again.

b. 2011-2012 Financial Reports

The financial statements for 2011-12 were presented for the Boards review by Treasurer Maureen Todd. It was noted that these financials are about 98% complete and that DECA is just awaiting checks from CDE to determine which invoices were funded, partially funded, or were not allowed so that a final adjustment can be made. Projected margin for State /District income to move to long term reserves (Deferred Income/Allowance for Future Expense) is recommended at \$60,000. We are forecasting that this margin will decrease once we hear from CDE. At this time gross income was \$506,200 with expenses of \$498,702.

Financial reports were submitted for Northern, Southern, and Silicon Valley Districts and were also rolled up into the final report for California DECA.

The Board inquired about the negative income item for the Deferred Income item that was included. Ryan explained that this is a contra account setup to create the mechanism for the "Allowance for Future Expenses" which are anticipated once CDE contract funding sunsets. It was noted that these items could possibly be taken as an expense or a negative income item by Carl and that perhaps it might be better to account for it as an expense. Ryan explained that we had consulted with our Insurance CPA firm when these mechanisms were established to better understand use and how to account for them. The California DECA audit for 2011-12 will take place in December and we will again inquire about the process to determine best approach. The Board agreed to not make changes until advised to do so.

Dennis presented questions about the income item for Middle School/Industry Support and how it was used. It was shared that these funds were derived from two different SB70 contact periods and primarily went toward new chapter starter grants, mentor grants, and business and industry development (e.g. membership in CA Chamber, reception at State, 2 meetings of advisory board, etc.).

#### 4. Management Team Report

##### a. Membership Campaign, Status, and Trends

Membership continues to grow and progress. We officially exceeded last year's membership mark on November 30 at 3,695 which is about 50 shy of our all-time high in 2001-02. This marks the sixth consecutive year of membership increases for DECA. The next stage goal for membership is 4,500 so we can achieve additional competition allotments from DECA Inc.

##### b. SB70 incentives and the new distribution plan for them

California DECA has set the bar too high for qualifications for chapter grants. The documentation process is far too labor intensive. After discussion of pros and cons, the Board arrived at a new criteria for 2013-14 which also realizes the State Advisor request to concentrate even more funding on new and growth potential programs.

It was moved by Dennis and seconded to recommend to CDE a chapter grants program for 2013-14 as follows:

- All new chapters with an established advisor receive \$500
- All existing chapters with an established official advisor receives \$250
- All chapters who attend at least one state function (CDC, District, etc.) receive a total of \$1,000 (\$250 base + \$750)
- Remaining funds from the chapter grants category will be allocated to all chapters who attended at least one state function based on final membership totals from the previous year.

The motion was adopted.

The Executive Committee will continue working with management and CDE to develop the rest of the funding projects for the final SB70 for 2012-13. The Board noted its appreciation to CDE for allowing the funds to be potentially be spent more towards projects that will have the most benefit for California DECA rather than the tight prescription previously required for growing Middle Level programs.

- c. The structure/membership of the board versus the industry board  
Dennis brought up for clarification the Board of Directors vs the Industry Advisory Board and what the status of that is since he was not able to be at the February 2012 meeting when the California Advisory Board Chair met with the Board.

It was clarified that the CAB is a standing committee of the Board and reports to the Board with staff support. It is setup in concept with sub-committees for Legislative Advisory Committee and an Alumni [OnCorps] committee. The Board is Chaired by Charles Martin and has established three goals for the support of California DECA as presented at the February meeting.

It was reported that the CAB is populated by great individual business leaders with some that are DECA and or CTE/CTSO alumni. They are dedicated to DECA individually and have made some neat and important contributions on that basis. In terms of their development where more work is needed is the building of an industry “community” where they are meeting, deciding, challenging and determining.

The Board discussed the pros and cons of adding industry onto the existing board and it was determined that we should not add industry into our existing board but rather have a stronger tie between the Board and the (Industry) California Advisory Board. Our primary objectives for the Advisory Board would be: Fundraising, Industry feedback/programs and curriculum, and source of guest speakers, internships, and judges.

It was also recommended that we hold alumni forums at each CDC to gain more information on forming an alumni association and what alumni would be looking to accomplish and/or gain. Brycen was asked to attend, take notes and report back.

The Board discussed the concept of perhaps starting a DECA Foundation. The Board also shared that the concept for how to develop local “Booster” Clubs might be an important element for assisting local chapters and that their starting of their own entities or utilizing a DECA Foundation concept to help local chapters might be something to explore. It was also noted that a Foundation would potentially be a better way to direct California DECA, Inc. surpluses. The Board initially talked about who might populate the Board of such a body and decided to postpone further conversation until the May strategy meeting.

- d. Status of CDE Operating Contract [2011-12 & 2012-13]  
The 2011-12 concluded on November 20 (10 days ago) and all documentation has been prepared and will be submitted the first week of December. We will now be operating under the 2012-13 agreement which provides \$30,000 of support in one year, but, over portions of two fiscal years. All contracts are current. It was noted that this \$30,000 represented a \$15,000 decrease from 2011-12 and about a \$45-50,000 decrease over prior

fiscal years. This funding will be billed to CDE late in the 2012-13 fiscal year and will flow over into the 2013-14 fiscal year through November 2013.

e. SB70 Contract Status and Options

We are awaiting final checks from CDE to close out SB70 2011-12. The forecast is that \$47,000 of the \$222,000 available was unutilized or not allowed by CDE based on their new documentation requirements and clarifications.

In response to the changes from CDE, Mary has submitted a detailed calendar and requests to the contract monitor that was recently received. Based on the response from CDE, Brycen and Ryan will be meeting with Kay to discuss options and possible amendments so that we are able to exercise the full amount of the \$184,000 available. The quarterly report and invoice has been submitted. This contract concludes in June.

Development for the new SB70 for 2013-14 is due in December/January. Kay has advised us that we have the freedom to develop it for our needs with the detail of things we for sure need and not necessarily with the prescribed guidelines as we did in the first year. It was reiterated that concentration on funding new and existing chapters needs to be a priority. The Board will set to work on this along with

f. Staffing [SoCal Development]

The Board has been considering for the past three weeks via digital exchanges the idea of hiring a consultant based in Southern California to concentrate on growth and development efforts. Ryan Alexander was a strong candidate and an ideal fit for California DECA. Given Ryan's talent and the cost to hire him, the Board unfortunately did not have enough reserve on hand to pay for a full time effort or to employ him in a manner that would be mutually beneficial to both Ryan and California DECA since DECA could not afford to pay a full salary with appropriate benefits.

The Board discussed the option of asking Danielle Tolentino-Tuason who is based in Southern California to head up membership growth efforts in that region. Management reminded the Board that Danielle was an employee of TRI as their management company, and while Danielle was certainly a great option, just wanted us to be aware of this relationship as CDE has been reluctant in the past to fund projects that would provide additional services to DECA, but that were provided by the management firm.

The Board shared that they were aware of Danielle's employment and agreed that if she was open to the new assignment that the Board would pay for this additional service out of California DECA funds. Ryan shared that he would look into shifting Danielle's project load to accommodate this request. If Danielle is open to this new project, it might also be nice to reassign coaching of state officers to this role as state officers can be instrumental in

membership efforts and it would save some on transportation costs with her based in Southern California.

g. WRLC 2011 – Profit Sharing from WR DECA

The books for WRLC 2011 from San Diego were closed and submitted to the Western Region DECA Board of Directors. Based on the profitability of the event, Western Region awarded California DECA \$15,297 for their work and support in hosting a superior event. The board was very pleased to learn of this revenue sharing and recognition of California DECA's support.

h. WRLC 2014 – California Hosting!

The Western Region DECA Board selected California DECA host their 2014 WRLC event at the Anaheim Marriott on November 13-15 with TRI as the event coordination firm. California DECA will be able to share in the revenue and programmatic development aspects of this event and in exchange the direct its own in-state conferences to WRLC.

It was moved by Dennis and seconded to approve the proposal of Western Region DECA hosting WRLC 2014 in Anaheim. The motion was adopted.

### C. Action Items

1. 2012-13 Budget Review

The budget was submitted in September for the Board to review between the October and December meeting. The Board reviewed the proposed budget line-by-line and discussed income and expenses. Budget projection for income is \$533,476 with expenses of \$526,990.

It was moved by Dennis and seconded to approve the 2012-13 budget as presented. The motion was adopted.

2. Goals, Budget and Priorities (2012-2013, status report) [Carl]

The Board recognized future funding issues (e.g. inability to “charge” dues for public school activities) such as establishing a booster club or foundation, or perhaps eliminating individual CA DECA dues and opt to have a chapter enrollment/curriculum fee (that would register all students from a chapter). The Board has made it a priority to be proactive in this area for the future and will allocate time at the annual meeting to discuss this further.

3. Goals, Budget and Priorities (2013-2014, initial planning) [Carl]

Much of the initial concepts for this agenda item were discussed in other areas (e.g. SoCal Membership Growth, setting up a DECA Foundation, “booster” clubs for local chapters, strategies for growing membership in light of the court ruling requiring no dues/fees be charged of students for activities, etc.). More time will be allocated to this at the annual meeting to prepare for 2013-14 and beyond.

4. 990 Filing with DECA, Inc.

The IRS 990 and California Returns are completed and submitted. Tax forms are available for Board inspection in the Board of Directors online folder 24/7.

It was moved by Carl and seconded to approve the 2011-12 financial statements as presented and with the understanding further revision may be need following CDE's payments per the 2011-12 contracts. The motion was adopted.

5. Approve updated Organizational Chart from November

It was moved by Dennis and seconded to approve the updated organizational chart from November 2012. The motion was adopted unanimously.

6. Conduct Checklist and Grievance Policy

7. Management Contract Temporary Extension

It was moved by Laurie to charge the Executive Committee with negotiating a temporary management contract extension not to exceed the board approved budget for 2012-13. The motion was adopted unanimously.

It was moved by Carl and seconded to provide an open bidding process for management based on the following timeline:

If California DECA secures management for a multi-year agreement, then an open bid process should be held at the end of the multi-year agreement and for sure before renewing a multi-year agreement for a second round. If California DECA secures management for a year-by-year contract, then, DECA may renew agreements up to four times (four years) before it is required to go out for open bid.

The motion was adopted unanimously.

8. Strategies for SOCAL Membership Growth

The Board returned to discussing membership growth particularly in the market area of Southern California. With the unexpected sharing of revenue from the DECA Western Region the Board felt even more confident in hiring someone like Danielle Tuason to concentrate in membership growth in that area.

It was moved by Carl that the Board establish a pilot program to assist in the development and maintenance of new chapters in the Southern California District of California DECA. The specific goal would be to establish five (5) new chapters in the Southern District by November 15, 2013. The program would consist of discrete phases. Funding would be provided by the remittance received from WRLC, not to exceed \$15,000. The first phase of the pilot would be initiated as

soon as practical, engaging the services of Danielle Tolentino Tuason, an employee of Tri-Leadership, and end on June 30, 2013. Follow-on phases will be determined by the Board.

The motion was adopted unanimously.

9. District Financial Processes

a. NORCAL/SOCAL/Silicon Valley Processes

Management presented a draft of District Financial processes for the Board to review, edit, and refine. Considerable time was spent reviewing each line item, clarifying, and adding additional elements. The final procedure will be voted on at the May meeting.

b. Changes to Organization Chart

10. Chapter Awards Project (CAP) for 2013-14 (Mary)

The Board discussed the rational between adding in the promotional campaigns and/or membership growth as part of the CAP. Laurie and Tami will meet and create a proposal for the May meeting on some revisions.

11. Update on Equipment Usage and Licensing

California DECA owns our own audio-visual equipment. Roughly 75% of the purchases were made with SB70 funding. If we ever want to liquidate the equipment we have to do that under CDE guidelines. We are currently allowing the support of other CTSOs and nonprofits on a limited basis by allowing low cost rental of our equipment when idle. Georgia DECA is also interested in licensing the Emerging Leader Assessment we developed last year as part of new "Emerging Leader Academy" they are piloting at their State CDC.

It was moved by Dennis and seconded to support other DECA entities through the licensing and utilize of equipment and program resources (curriculum) at negotiated prices. The motion was adopted.

12. Board Chair Elect and Treasurer positions

It was moved by Mary and seconded to approve the slate of Carl Schmidt as Chair-Elect, Tami Raaker as Secretary (through May 2013), and Maureen Todd as Treasurer-Elect to serve the 2012-13 fiscal year.

It was noted that in May the positions of Treasurer-Elect, Chair-Elect will need to be determined to assume service in 2014-15. The position of Secretary will need to be elected for 2013-14 year.

### 13. Next Meeting:

Hold in conjunction with state officer meeting in the format of Thursday-Saturday in Sacramento. The Board affirmed its commitment to have at least one meeting per year in Sacramento and to cover sub costs if needed. It was also recommended we try to meet with legislators or meet Assembly members for lunch during meeting.

## D. Information/Discussion Items

### 1. Allocation of Board and Staff Time

Ryan discussed the concern that both Board and Staff time were continually being increased to support Districts, state contracts, growth, advocacy and other areas like chapter development. For example, our District structure is like hosting three smaller State Career Development Conferences given its overnight features and similarity to State CDC. These concerns are being brought up to see if this is how the Board wants management time to be spent or if alterations need to be made to prioritize their work. There is an endless array of really important and vital places Board and Staff could spend their time and alignment of expectations, budget, and time frame for completing or initiating new projects is important. It was also discussed about the importance of consistency through the District processes (e.g. finances, tabulations, etc.) if the State is going to be providing the level of services we are currently supporting. This allows for both efficiency in terms of repeatable process but also in the equity and preparation of students for State and International participation. Additionally, Maureen mentioned the need to incorporate implementation of Common Core Standards into our strategic goals. We need to be better about advocating the value of CTE.

No decisions were made regarding this discussion item, but it was noted for the May meeting to factor into our conversations.

### 2. Friday night Social Activity at State CDC

The concept of going to the Tech Museum in downtown San Jose was considered by the Board following focus group and advisor feedback stating that students might perhaps like to have a different social option at SCDC. The Board considered the idea but did not like the idea of additional logistics and expenses of bus transportation and elected to stay with the Great America experience.

### 3. Update on ACLU law suit regarding membership fees, conference fees, etc.

No information from CDE, CBEA, teachers union or legal counsel has been received in order to guide DECA's membership efforts. Pending receipt of guidelines or directive, the Board was hesitant take any more action. It was recommended by staff to develop some initial concepts to help drive the agenda so that there is the most favorable impact to DECA and CTSOs.

#### 4. Board Composition by Membership

With the introduction of a new DECA District the concept of evaluating the composition of the Board of Directors was brought up to ensure broad representation by stakeholders. Our current membership makeup is NorCal – 2021, SoCal 535, and SV-1168.

The Board decided to recommend for local advisor vote at the 2013 SCDC the approach of 3 Representatives per District for a total of 9 Board members. If this approach is approved, then current board members have agreed to swap, minimize, or extend their current board terms to make the new structure work.

The rotation of terms would change slightly as follows:

*Current terms (rotation)*

*Term 2012-2015: Mary (N), Tami (N), Mariam (S), Maureen (S)*

*Term 2011- 2014: JoAna (N), Carl (SV), Vacant (?)*

*Term 2010-2013: Dennis (S), Laurie (N), TBD (SV)*

*Proposed:*

*Term 2012 – 2015: Mary (N), Maureen (S), TBD (SV)*

*Term 2011-2014: Tami (N), Mariam (S), Carl (SV)*

*Term 2010-2013: Laurie (N), Dennis (S), TBD (SV)*

#### 5. California DECA Strategic Plan

The Board set for the May annual meeting concentrated time to review the current strategic plan. It has requested each District to bring its respective plans and initiatives as well so they can be calibrated into the plan. The time in May 2013 will be specifically designated to set measurable goals and align budgets with the realization of these objectives.

#### 6. Establishing a California Legislative Board & Legislative Liaison

Carl brought up the conversation about who from DECA and from our Board is charged with initiating communication and staying connected with elected officials. It was pointed out that state officers are in connection with advocacy efforts; that the California Advisory Board is setup with a Legislative Committee that is not currently appointed; and that Districts and chapters have been participating in advocacy efforts. The clarification was made that it was not a question of “if” DECA was doing anything, it was who was charged with driving and intentionally building momentum in this area. The Board agreed that it was a key Board function that staff is to support and help with and that it will be addressed at the May meeting.

## 7. Additional Agenda Items and Discussions

ICDC Competitor Prep: Additional discussion was on better preparing our students for ICDC. Some ideas were thrown out such as weekly chats or Google hangouts with a specific focus for competition training. It was also discussed that some states come in a day or two early for competition training, eliminating the “DECA Day” at the amusement parks.

We are going to try it this year. We will need to provide something for the leadership academies students, simultaneously as the comp training is taking place. It was discussed that maybe we incorporate them into the training facilitation/administration.

State CDC Hotel 2014: We can't get out of 2014 Irvine Marriott for State CDC. We have done an addendum to secure all rooms onsite but we will overflow the hotel capacity.

Brycen requested our permission to begin the search for a new hotel contract once the existing contract expires. He also discussed the financial benefits we have experienced from our longstanding relationship with the Marriott but we will put the RFP's out to all available options (based on meeting space, etc). We propose the search to include San Francisco, Fresno, San Jose, Santa Clara & Sacramento for Northern locations. We propose the search to include Anaheim, Ontario, San Diego, Long Beach and LA (Universal area) for Southern locations. We are proposing a two year contract for both Northern and Southern sites.

Community Service: Statewide Community Service Project is not working. It was suggested that we simply allow our chapters to do what they are doing.

Mobile/Web Optimized Conference App: CA DECA is working on a mobile app for the state CDC with maps, competitors times, etc. There will also be QR codes around the conference to acquire needed information. It will not be a downloaded app but rather a website optimized for viewing from a mobile phone.

There is no additional fee for this service as it's a pilot project to see how it actually works during conference and is utilized by participants. Staff will report at the May meeting and provide a recommendation for the future.

Open Bidding Process: Mary followed with the Board on the importance of moving forward with the CDE mandated periodic open bidding process for CTSO management. The management contract RFP process needs to be ready by December 30 for review by CDE.

The RFP will be allow for two elements: a) core management state director/advisor duties; b) ancillary support services which may/may not need to be bid on by interested management parties. The CDE approved RFP will go out for open bidding in January-February for decision making by the Board in March.

**E. Adjournment**

The December meeting was adjourned by Mary Whited at 3:54 p.m.

Respectfully Submitted,

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Tami Raaker, Board Secretary

December 2, 2012

Date