

BOARD OF DIRECTORS MINUTES

California Association of DECA, Inc.
Board of Directors Meeting
Santa Clara Marriott
December 12-13, 2014

Welcome and Roll Call

Board Members in Attendance

- Michelle Oliveira, State Advisor [ex-officio]
- Carl Schmidt, Board Chair
- Mary Whited, Board Chair Elect
- Maureen Todd, Board Treasurer
- Tami Raaker, Board Secretary
- Dennis Mifflin, Audit Committee
- Mariam Shafiey, Audit Committee
- Luke Freeman

Staff Members in Attendance

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

Unable to Attend

- Laurie Andrews

The Board Meeting was called to order at 3:12 p.m. by Chair Mary Whited on Saturday, December 12, 2014.

The Board welcomed new Board Members Michelle Oliveira as our new State Advisor to her first Board Meeting representing the charter holder California Department of Education. The Board welcomed Luke Freeman a past state officer and current advisor from the SoCal District.

Approval of the Minutes from May 15, 2014

It was moved by Carl and seconded to approve the minutes of the May 15, 2014 meeting as presented. The motion was adopted unanimously.

A. Review of Reports [Friday Evening]

1. State Advisor Report [Update from CDE by Michelle Oliveira]

Michelle submitted a printed report from CDE outlining key initiatives, projects, and updates.

Highlights of the State Advisor Report include:

Personnel

- Kay Ferrier our previous State Advisor retired in August 2014
- Dr. Mindi Yates has moved to another CDE position and the current State Advisor position for California FBLA is vacant with no information at this time as to when the position will be filled.

Program:

- The **Business Education Leadership Project (BELP)** contract that serves the Business and Finance and Marketing, Sales, and Services Sectors is being housed at the Placer County Office of Education. Molly Anderson, a former business instructor is serving as the BELP Coordinator.
- Included in the BELP contract from previous years was the subscription cost for MBA Research resources. The subscription cost was not included in the 2014-15 contract and we are reviewing the subscription level that may be included in the 2015-16 BELP contract. Input from the California DECA board is welcome.
- The date for the **Business Education Resource Group (BERG)** State Advisory Committee meeting for the Business and Finance and Marketing, Sales, and Services Sector has been scheduled for Tuesday, May 19th in Sacramento, CA.
- New California state **CTE enrollment** numbers will be released January 5, 2015. As of the last enrollment counts (including middle and high school) from the 2012-13 year, there were 87,983 students enrolled in the Business and Finance Sector and 18,333 enrolled in the Marketing, Sales, and Services Sector. These numbers reflect about a 40% drop in enrollments in the Business and Finance and Marketing, Sales, and Services sectors since 1992-93.

Fiscal

- The current contract (2013-14 FY) for \$184,978.00 SB 1070 funds ends on December 31, 2014. Next year's (2014-15 FY) contract for \$184,978.00 SB 1070 funds will begin January 1, 2015 and end on December 31, 2015.

- SB 1070 funding sunsets in June of 2015 and the CDE is waiting to see if it appears in the January budget. If it is not in the budget, CDE will work with the Chancellor's Office to submit a legislation proposal for additional dollars.
- A contract proposal was submitted for \$50K for January 1, 2016 – June 30, 2016 and funding is to be determined (Perkins, SB 1070, ?).
- AB 8 dollars are being worked on to be legislated again in support of Career Technical Student Organizations. This time it is anticipated that the \$1,000,000 being requested annually will be split equally among each of the six California recognized CTSOs.

Additional News:

- Congratulations to **California DECA President, Dustin Chiang** who was selected as one of the California Alternate Delegates to the 2015 U.S. Senate Youth Program!
- Letters of intent for the **California Career Pathways Trust** were submitted to the CDE. The next deadlines are January 9th for the Consortium Development Grants, and February 6th, 2015 for the Implementation Grants. Questions may be directed to careerpathways@cde.ca.gov
- Michelle brought our new CDE / California DECA contract for the 2015 year signed and ready for implementation. It was noted that CDE's contract office did a great job with the processing and timing of getting this agreement through review.

2. Financial Reports

A. Financial Reports by District

It was moved by Dennis and seconded to accept the financial reports of the DECA District as submitted.

B. Financial Reports for the California Association of DECA

Maureen shared the Treasurer's Report as of the last reconciled period of October 31, 2014. Cash on hand is \$233,277 which is expected to be quickly reduced as chapter grants are paid to schools who complete their required forms. Total income for the period is \$129,436 with total expenses of \$20,724. This is the typical trend during this time of the year.

The Board inquired about the market value of the \$12,000 long term investment account. Maureen reported that while we don't reflect it in our income statement and balance sheet accounts due to the fluctuations in the investment market. Maureen shared that as of October 31, 2014 the account value is \$19,891.29.

The Board inquired about the growth of California DECA, attendance at ICDC and how that was affecting the competitor contribution program. It was reported that over \$16,000 in ICDC awards were given with every competitor to ICDC receiving \$50.00.

C. 2013-14 Tax Return Filing

The California DECA tax return information to be included in the National DECA group report to the IRS was completed and the spreadsheet of data was filed in DECA's online Board files for review.

D. Financial Review by CPA Firm for 2012-13 Fiscal Year

The Audit Committee at the direction of the Board engaged Ruboyianes and Company to do a financial study of the 2012-13. The study was completed by November 24 including key financial ratios. Results of the accountant's financial study:

1. The independent accountant's financial study report showed no findings or differences for the fiscal year end.
2. The study compared bank reconciliations, statements, and cash balances and found no difference.
3. Customer account balances and totals balanced in the general ledger. Individual vendor account balances total with the balance in the general ledger.
4. The balance on the American Express card statement balanced to the amount shown in the reconciliation and when compared to general ledger account balance.
5. Retained Earnings on June 30, 2013 balance sheet is the sum of the June 30, 2012 profit and the June 30, 2012 retained earnings.
6. Key calculations of ratios application to a nonprofit of California DECA's size were included. Of note, our Defense Interval (number of days CA DECA can operate without having access to non-current assets) is 97 days with the industry recommendation being between the 90-180 days in reserves. Program Efficiency Ratio (measures the relationship between expenses—funds devoted to its mission work—and the organizations total expenses. The goal should be around 80% and California DECA is at 81.3%.
7. California DECA's corporate filings were reviewed against the records of State of California and found to be in good standing and current.

3. Management Team Report

A. Membership

Created affiliation program information guide with professional design. Serves dual purpose for promotion to prospective chapters as well as professional development tool to expose chapters to all the opportunities and benefits of DECA—as well as additional funding resources to pay the affiliation fee. Early signs are chapters are diversifying their funding sources from gaining business partners and alumni to contribute to affiliation fee to Perkins CTE funding to use of SB1070 chapter grant support.

As of December 11, membership is 4,886 in 62 currently active chapters. This is fantastic for this time of year to already have surpassed last year's membership goal. This is now the 7th year of membership increase in California DECA. Projection is to exceed 5,000 for the first time in state history.

Membership Campaign

Danielle Tuason continues to lead our SoCal Membership Development efforts primarily concentrating on LA and OC counties and is beginning expansion to the San Diego area in anticipation of leveraging upcoming state conferences to grow more broadly statewide.

B. Conference

California DECA hosted a very successful DECA Western Region Leadership Conference in Anaheim in November. Nearly 1,500 attended the event with nearly 200 from California. The next WRLC will be held in Austin, Texas in 2015.

The ICDC results were shared by chapter and district for 2014. California DECA brought home 303 awards firmly placing us third in the nation overall in terms of competitive performance in DECA. We're closing in on second place with our best competitive showing ever. NorCal brought home 124 awards, SoCal 8, and Silicon Valley 171.

C. Status of SB1070 Contracts

California DECA has currently billed the chapter grants component of the 2014 SB1070 agreement and will conclude billing for and projects for the current contract by December 31. The new SB1070 will begin January 1 and will run through December 31, 2015. The agreement has been approved and is ready for implementation.

4. State Officer Report

The board reviewed the terrific work of the California DECA State Officer Team in their Board Report. It was noted that the streamlined reporting was very effective and well presented. A lot of important and encouraging progress coming from our State Officer Team.

Action Items

1. Financial

A. Review and approval of 2012-13 Financial Review by The Ruboyianes Company

It was moved by Maureen and seconded to approve the financial study as presented. The motion was adopted unanimously.

With the completion of the 2011-12 audit, the Audit Committee is now managing a 4 year transparency and validation cycle. It was moved by Carl and seconded to adopt the following four year cycle for California DECA:

The cycle flows as follows:

- 2011-12 Audit
- 2012-13 Study
- 2013-14 Study
- 2014-15 Study (including Districts)
- 2015-16 Audit

B. Review and approval of 2013-14 year-end P&L and Balance Sheet

It was moved by Luke and seconded to accept the FYE 2013-14 Consolidated Balance Sheet and Income Statement that constitutes the California DECA rollup to the combined 990 return by DECA Inc. The motion was adopted unanimously.

C. 990 Group Filing Submitted

Maureen reported that the California DECA 990 Group Return was submitted by the Finance Manager.

2. California DECA Foundation Status Report

a. Update from Management Team on progress with Foundation Setup

The management team reported that the application for Tax ID was completed along with securing the new website domain (californiadeca.foundation) and that articles of incorporation and corporate bylaws draft completed. We do not need to establish a separate 501(c)(3) as the foundation will be included in the

DECA 990 group return. Initial board members for creation of the foundation have been contacted and agreed to serve.

It was suggested that we reach out to retired board members and/or alumni chapter or state officers that are in their careers. It was also recommended that we have one Foundation Board of Trustees meeting, concurrent with the CA DECA Board of Directors Meeting and the CA DECA State Officer Meeting. The Board of Trustees will also be invited to attend the State CDC Board Forum as well as the reception at SCDC, if they are able to attend.

It was discussed that (aligned with National DECA), no students will serve on the CA DECA Board or the California DECA Foundation, however, the Board does want their leadership in presentations, committees, and joint initiatives. CA DECA will nominate up to 3 per district to serve on this Foundation Board of Trustees by January 31st and send to Brycen Woodley for follow up.

CA DECA will establish initial policies and procedures for the Foundation.

This foundation will be replace (or essentially merge with) the CA DECA Advisory Board. There were some concerns with the amount of money being transferred to the Foundation and where it is coming from. Essentially our operating reserve of \$85,000 needs to be moved over to the Foundation. There is an additional \$12,000 of investment money that has not been used in years that was proposed to be transferred as well but it was requested that we know more about that investment before we move that. All money transferred needs to be restricted and liquid with a minimum of \$100,000. For May meeting, we need to look at the parameters for reserves per district so that excess margin can be moved to the Foundation's stewardship and available for Districts as needed.

b. Review of proposed bylaws for Foundation and next steps

The Board reviewed the initial bylaws of the Foundation and made several notes and requests for the second round of revisions.

It was move Carl and seconded to authorize the creation of the California DECA Foundation and implementation plan as amended for the perpetual benefit and support of the California Association of DECA. The motion was adopted unanimously.

It was moved by Carl and seconded to approve the transfer of \$85,000 to the California DECA Foundation to provide the initial funding base. The motion was adopted unanimously.

3. Development Efforts

- a. Discussion of plans and next steps for corporate/partner development
The Board discussed the importance of continued partnership development efforts, especially in light of uncertainty in state and federal funding support in 2016 and beyond. It was noted that this will be a key component of the foundation's work.
- b. Review & discussion of sample structure and approach
Brycen presented a sample structure and template for establishing partner opportunities and pricing. It was presented that perhaps we have a business partner that could sponsor for the state CDC t-shirts (put logo on the shirt).
- c. Review specific partner opportunities identified by Dennis Mifflin
Dennis presented the conversations he had with Entrepreneur Magazine about the possibility of partnering with them in some way. Are there any other options like this? The Board will review this opportunity more closely at the May joint board meeting with the Foundation.

4. CTE Enrollment and membership in DECA

- a. Discuss updates from CDE
CDC is working on a statewide policy clarifying that students have to be enrolled or have been enrolled a CTE program. Michelle will get back to us on what we should be communicating on this to chapters. DECA is enthusiastic about this and understands the close tie in and connection between CTE and CTSOs. It was requested that Michelle present to CDE a request for transition period so that any existing programs that are operating without a CTE program have time to be converted and establish CTE programs. It was also requested that Michelle communicate with CDE the importance of strong state policy of the expectation that CTE programs also include their CTSO component.

5. State Officers

- a. Proposed changes to election process for 2015-2016
The State Officer Team did a fantastic review and comparison of California DECA election practices side-by-side DECA Inc election practices and provided feedback for bylaw amendments or change in process.

The concern was presented that there may be some conflict with have exiting officers on the interview panel so we will not proceed with the proposed changes on page 4. Vice President of SV will participate in the SCDC panel interview. All other changes seem reasonable. The changes will be made and

the final draft will be presented at the May meeting to both officers and Board members.

It was pointed out that the existing constitution has some inconsistencies with our existing state officer election process. A revised constitution will be presented at the State CDC for the voting delegates to approve.

b. Update on progress with Nor Cal District Action Plan (DAT)

The Board reviewed the NorCal District Action Plan plan. It was proposed that we pay \$1000 stipend to the advisor and pilot this program and evaluate after a year. Mary and Tami will bring this information back to our advisor's meeting at NorCal CDC in January to solicit buy-in from the Nor Cal advisors. Discussed possibilities for ELS participation for DAT & State Officer teams in 2016 and then looking to do an annual joint training of District and State Officers. We would need to explore funding options and accommodations for this training.

Carl moved and it was seconded to authorize NorCal District to move forward with creation of District Action Teams with required support structure, policies, and budget subject to the approval of the NorCal Advisors. The motion was adopted unanimously.

6. DECA Advocacy Campaign (February 2015)

a. Discussion of CA DECA incentives to encourage participation

The Board briefly discussed incentives but no specific action was taken.

7. 2015 Advisor Conference

a. September 25-26, 2015

b. Location Options

i. San Jose Marriott

ii. San Ramon Marriott

Relationship with Marriott has been a great benefit for us. We are looking at Nor Cal properties because of where the participants are coming from. Due to costs of getting So Cal people to and from the airport, we are opting for San Jose airport. It was suggested to add in a social element for advisors to encourage strengthening of connections and support amongst local advisors.

8. SCDC 2015

a. Conference updates

Santa Clara Marriott, Hilton Hyatt (400 rooms at Marriott & 75 rooms each at the other. Everyone will pay the Marriott rate (CA DECA will insulate the higher cost of Hilton/Hyatt) All competitive events at the SC Marriott (with a possibility of a pavilion). Registration **must** be in by 2/4. Opening at Great America Friday night (dinner at the pavilion, dance, karaoke, arcade and a few rides).

Thursday – Arrival, three testing session, alumni reception, workshops, new advisor meeting.

Friday – Series event competition, state officer campaign booths, protégé events, opening session (split into 2)

Saturday – Written events, election session, board forum, recognition session at the convention center, dance, photo booth

Sunday – Grand awards & ICDC winners meeting

9. ICDC 2015

a. Conference update

CA is at the Hilton on I Drive. Long walk to the convention center, there are considering a shuttle. Arrival 4/24 Departure 4/29. The conference general flow will be:

- Friday 4/24 Arrival day
- Saturday 4/25 Competition Training – 9-12, Opening session at convention center
- Sunday/Monday – Competition
- Tuesday - Awards & CA DECA Social Celebration

b. Discussion of competition training plan

The Board discussed State Officers leading the competition training plan at ICDC.

D. Next Meeting: May 14-16, 2015 Sacramento

It was proposed to shorten the meeting to accommodate board. It was also noted that the first joint meeting of the Foundation, State Officers, and Board will meet then as well. Submit agenda items to Mary.

E. Adjourn

The Board Meeting was adjourned at 3:36 p.m.

Respectfully Submitted,

Tami Raaker, Board Secretary

December 19, 2014

Date