

BOARD OF DIRECTORS MINUTES

Board of Directors Annual Meeting

May 15, 2014 | Sacramento

Call to Order

The Annual Meeting of the California DECA Board of Directors was called to order by Board Chair Carl Schmidt at 11:55 AM, Saturday, May 15, 2014.

Welcome and Roll Call

Board Members in Attendance

- Kay Ferrier, 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
- Laurie Andrews

Staff Members in Attendance

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

Approval of the Minutes from December 7, 2013

It was moved by Mary and seconded to approve the minutes of the December 7, 2013 meeting as amended. The motion was adopted unanimously.

Reports

1. State Advisor Report [Update from CDE by Kay Ferrier]
 - a. Report from CDE: Trends, Standards, Finances,
 - b. Kay's Replacement
2. CDE Briefing (Friday @ 11:00 a.m.): Dr. Lloyd McCabe

Briefing from Dr. McCabe:

Lloyd thanked Kay for working in overseeing three sectors and for being a ceaseless and tireless advocate for DECA. She will be missed her when she retires. Kay is retiring the middle of August. The search process to replace her is underway. Requirements include passing the Civil Service Exam along with minimum requirements for education experience like being a Department Chair; having a masters or administrative credential or equivalent; other administrative experience. The notice and information was distributed widely to the field and CDE is looking for top candidates to continue the momentum of CTE and DECA in California.

Foundation

The Board inquired with Lloyd about how the California FFA Foundation works. Lloyd replied that CDE has no official role and that CDE permission is not required. Lloyd also confirmed that there is no issue of having CDE personnel sit on Foundation Boards.

FFA Foundation is the best established and Lloyd directed us to hard copy/electronic version of their bylaws. He noted that it must be formulated to be a separate entity apart from California DECA. Jim Ashwanden is the executive director of ag teachers association.

The Board inquired about any cautions, consequences, or potential drawbacks Lloyd shared that keeping core CTSO and Foundation on the same page is critical. FFA Foundation has 3 folks from CA FFA on the board. Communication is important and vital. Foundations were a big trend in the 90's. 11 lawyers at CDE decided CDE shouldn't be involved in handling student money due and so the incorporation of CTSOs and some Foundations were started to handle this responsibility.

CTE Director Russ Weikle, who has SkillsUSA background, would like a memo of understanding between CDE to CTSO in place in terms of the role of each group. He wants to provide more clarity between why CTSO Boards exist how things are designed and should work. In essence, the programmatic side is really CDE. The CTSO Board is really more fiscal. CDE is responsible for the overall charter.

The Board suggested the idea of having all CTSO Boards come together once a year. Lloyd shared that he would love to see all CTSOs get together at least once per year just for orientation and connecting. Getting all the leaders of CTSO together at the same time could be valuable.

Funding Projections

Lloyd and Kay shared that SB1070 is solid for 2014-15. Each CTSO will get the same amounts. Lloyd has access to another \$190K for special projects. The Cycle ends in 2014-15. The Chancellors office is not likely to give up on SB1070 funding and will work to renew it likely which will continue to benefit CTSOs. This is great for CTSOs, curriculum development, teacher

training. It's a \$48 million funding source. CTE Teach, CTE Online, Leadership Development for Training CTE Administrators, CTSOs, and a host of other items are included. Deborah is head of CTE in Chancellor's office and good friend. No doubt they are going to push on it. Lloyd shared personally he was local control fan in early days before we went categorical. And, he watched education changed us in dramatic and far reaching ways. Education Reform 1984 threw CTE into tailspin with change to graduation requirements and CTE got left out.

CTSOs and CTE must develop courses that meet local grad requirements or UC standard. If this doesn't happen then CTSOs and CDE will suffer. If not required, tested, and funded, they are not needed in tough times—and that means cuts to CTE. Enlightenment on how local works is needed by policy makers and vitalness of CTE is critical.

Career Pathways managers manage CTSOs. CDE has the most supportive deputy of CTE in 25 that Lloyd has seen. Must be involved with them to get your points. Pathways sector report is important. Will need to get list from CDE in order to help CDE monitor.

Lloyd and Kay shared that there was no huge drop in business education as originally reported. There was a scanning error found and the numbers re-run. Business education is not falling down. Slight decline due to recession, but, overall consistent and stable..

ROPs are gone after next year and then coming to be integrated into local control funding. Governor optimistic those teachers are going to be picked up. CDE not so sure with loss or funding that those teachers are going to be picked up. \$18 billion cannot be cut from K-12 so the budget has to flex somewhere and that looks like the bending point.

Why FFA strong

The board inquired as to the nature and history of FFA growing so strong in California. Lloyd replied that it is integrated and community-based by design. Advisory committee in place. It used to be, and still is in many places that the stepping stone to a local School Board was service on the local FFA Advisory Committee. Being very community based is critical. It's a cultural thing with AG ED. Doing it for 80 years. It's how they are generally. Everybody knows everybody. If there is an issue, go over to Farm Bureau and policy folks, talk, and move forward. Lloyd suggested that if California DECA could engage business entities to have same feeling about DECA...you got world by the tale.

Student Fees

Lloyd shared that he had eliminated dues in early 1980's as department chair in charge of FFA at his high school. His belief is you shouldn't be charging students for something integral. Cannot assess a fee to a student that is integral to education. Optional activities and donations are great. But, can't require it...and can't deny students. Most complaints coming from parents.

Lloyd shared about concepts that would be fine under the new non-fees law and constitutional clarification in California. Optional conferences are okay. Curriculum package is GREAT. FFA does this and it's one of the simplest ways. An affiliation packet per student (containing elements like newsletter, handbook, etc.) is fine. Never use the term "DUES". If the term "dues" is used the school has to pay for everyone—and we know they do not have resources to do so. Lloyd clarified that a school would not have to pay dues for all kids in the school—if a program like DECA were clearly in the "business education program" of a school—then it would just be limited to eligible students. CDE will back up DECA and CTSOs if legal clarification is needed for school administration to understand the reaches of the new legislation and policy.

A key takeaway from the meeting with Lloyd was that California DECA needs to lead an effort with local chapters (and the state chapter if necessary) to adjust bylaws to remove any dues language.

Lloyd also shared that CIF has an affiliation fee based on school size. Schools pay that to the league. This is similar to the proposed DECA affiliation model and looks like it's a clear approach for adjusting fees.

API and Career Readiness

Lloyd commented on API and Career Readiness standards and shared that we probably won't see them for next three years. Millions of kids are taking core test. CDE doesn't have results yet. Very local driven. The Career Readiness element is underway.

Other Information

Lloyd shared that "Leadership" is embedded in academics in fine arts, English, etc. As DECA looks at ways to orient itself more academically or to have stronger ties here, this could be an important element to leverage. Lloyd commented that Academics run this state...not CTE. That CTE and CTSOs and DECA have got to make inroads with the UC System to have broader influence. Need to get to principals, counselors and boards to demonstrate value, rigor, and relevance without losing CTE identity. Lloyd also shared that we need to get with branch deputy with success stories, statistics, information, and invitations to conferences so that she can more specifically articulate and advocate the value of CTSOs like DECA from reports and personal interaction.

How CTSOs Can Share Ideas

Lloyd shared that CDE very much welcomes the perspective and input and requests of CTSO Boards and stakeholders. He encouraged us to send communication that that defines "Here's how you can really help us." Lloyd said he and CDE are fans of Common Sense solutions. "Send them to me and we'll explore and look at them and do them."

Financial Report

The board reviewed the Treasurer's Report and financial statements by District as well as statements as of the end of the April. Since the fiscal year there are a number of income (e.g. final SB70 funding received) as well as expense (e.g. ICDC expenses yet to be submitted to CA DECA from vendors) items yet to be completed. The estimated margin for this fiscal year is between \$50-60,000. Total current cash balance is \$314,000 with \$123,000 in accounts receivable with \$12,000 in long term investments and \$85,000 in reserve. Accounts payable is 2,700. These amounts are as of the last reconciled period of April 30, 2014 and are higher than normal with active income and expenses still yet to be finalized from ICDC.

Dennis moved and it was seconded to approve the financial statements as of April 30 as presented. The motion was adopted unanimously.

Annual Financial Review

Dennis moved and it was seconded that California DECA enter into an agreement with Ruboyanes & Co. to conduct a financial review of the 2012-2013 at the \$1,500 level. The motion passed unanimously.

Payment Policy

Dennis moved and it was seconded that the California DECA Payment Policy be approved as submitted. The motion passed unanimously.

Finalize Audit

Carl moved to direct Dennis as Audit Chair to finalize organization response on audit and complete the 2011-12 by the end of the 2014-15 fiscal year. The motion was adopted unanimously.

District Financial Processes

The board reviewed the status of centralizing District Financial Procedures. It has been completed and goes into effect with the new fiscal year on July 1. The Finance Manager will working with the Districts and State Directors to make final arrangements for change of signatories on accounts as necessary.

Management Team Report

The management team reported that it was another strong and record setting year for California DECA, especially in regard to chapter growth efforts.

Membership

Management submitted a detailed membership report showing trends over time with comparison data by District. Each District continues to show positive progress and growth.

DECA has more than doubled now in size since 2008 with a total combined state membership of 4,548 and 21 new/reactivated DECA chapters.

Conference

Conference attendance continues to be steady and strong for California DECA and Districts. It seems the scramble to add additional lodging and adjust logistics plans for District, State, and National Conferences is now an every year part of the plan to accommodate DECA growth. It's better than going the other direction and having to plan for attrition and penalties.

District CDCs had attendance of 2,180 combined with 189 from SoCal, 877 from Silicon Valley, and 1,114 from NorCal. State CDC attendance with 1,844 which is an increase from the previous year. ICDC in Atlanta attendance was 424 one of our largest delegations ever for an event not hosted in California.

Status of CDE Contracts (SB70 and SB1070)

The management team will be wrapping up the SB70 annual contract funding for California DECA's agreement with CDE. The new contract which contained a simplified expense and project structure and increased funding for chapter grants to service new and growing existing chapters was submitted on time after several revisions and more extensive rationale required by the contracts office. The 2014-15 SB1070 will be a short six month agreement to get California DECA caught up with the funding cycle. The next CDE contract will ideally be for the calendar year of January 1-December 31, 2015 and will straddle the end of this fiscal year and half of the 2015-16 year. After this time, funding is not certain but there is effort underway by CDE and the Chancellors office to renew SB1070 or bring back AB8 funding to provide future support. Much will depend on the election outcomes in the Fall and what the Governor proposes in his initial budget draft in 2015.

State Officer Report (Saturday Morning)

The State Officer Team joined the Board to present their progress report for the year so far including program of work and strategic plan. The Board applauded their ideas, service so far, and encouraged them to continue connecting to personally serve local chapters and challenged them to deliver on their great ideas.

Action Items

Board Chair, Secretary & Treasurer Elect positions for 2014-15

Mariam moved and it was seconded to elect the following slate of officers of California DECA's Board of Directors: Carl Schmidt as Chair-Elect, Tami Raaker as Secretary, and Maureen Rankin as Treasurer. The motion was adopted unanimously.

2014-15 Budget

The Board appreciated staff's effort to move the budgeting process for California DECA to prior to the start of the next fiscal year rather than the first board meeting of the new fiscal year.

Carl moved and it was seconded that the 2014-2015 budget be approved as submitted. The motion was adopted unanimously.

2014-15 Calendar of Events

Carl moved and it was seconded that the 2014-2015 calendar of events be approved as presented and submitted to the insurance carrier. The motion was adopted unanimously.

Strategic Plan

The board identified that establishing and reviewing Board Priorities for Management Team as well as Succession planning & developing new board members needs to be discussed at a future meeting.

Relationship with California Hotel & Lodging Association (Goals & Objectives) (Chair)

Carl shared that there is great partnership potential for California DECA and the California Hotel and Lodging Association based on the experience from his local chapter and conversations with various leaders from the organization. It's a natural fit for DECA's program area.

Ideal relationship levels to explore

1. Tours, speakers, and judges for chapters and for conferences (back of the house, events planning, etc.)
2. Advocacy legislative
3. Coaching students in hospitality competition
4. Internship, funding support, scholarships

To be successful DECA participation in utilizing their curriculum as well as Youth in Hospitality Month would be well received.

Relationship with California Restaurant Association (Goals & Objectives) (Chair)

The next industry partner to concentrate attention on would be the California Restaurant Association as another ideal partner in DECA's program area.

California DECA Foundation (similar to California FFA) (Chair)

The board discussed the plans to start the California DECA Foundation and charged the management team with developing a structure and getting it setup by December 2014.

Issues to consider and plan for include:

- Clear concept of the Foundation's mission areas (e.g. build/invest reserves to support California DECA in the future and sustain operations; partnership strategies for industry and alumni engagement, and serving local chapters as a fiduciary body for carrying over chapter reserves and serving as a donation center for chapters that receive grants and funding for which nonprofit standing is required).
- The Board noted that in regard to supporting chapters and holding their reserves, the Foundation needs to be easy for chapters to engage and can't be harder or more confusing than current mechanism used (e.g. having a Foundation website where online contributions can be easily made and monthly account balances reported to chapters)
- The Board wants to get a feel for annual costs for startup and maintenance of the Foundation to factor.
- Clear and transparent financial review and audit will be necessary.
- Clear plan for dissolution of assets should the Foundation need to be folded back into the California DECA main nonprofit.
- Board membership should include industry but make provision for standing membership by CDE State Advisor and the Chair and Chair-Elect from California DECA. Identifying the way Foundation members are appointed/elected as well as the role of the DECA California Advisory Board will need to be determined.
- A core five year plan for the Foundation with a concentration on streamlined operations is critical.

Carl moved and it was seconded to authorize TRI to begin the process of getting the California DECA Foundation in place. TRI will report back to the Board at the next meeting on the time involved and at that time will discuss with the board the appropriate compensation for the services rendered. The motion was adopted unanimously.

Contribution to Ed Davis Scholarship Fund

National DECA is establishing a scholarship fund to honor the longtime service of retiring Executive Director Dr. Ed Davis. \$1000 from CA DECA proposed by Maureen. Laurie moved and it was seconded that California DECA make a donation of \$1,000 to the Ed Davis Scholarship Fund. The motion was adopted unanimously.

JoAna Sydow Scholarship Fund

It was clarified that California DECA is sponsoring in perpetuity \$600 for this event. The money from JoAna Fund goes to second and third place.

Mary moved and it was seconded that the scholarships provided to the winners of the JoAna Sydow Community Service Project be augmented using the donations made to the JoAna Sydow Scholarship fund to add a 2nd place scholarship at a total of \$300 for the team/individual and a 3rd place scholarship at a total of \$150 for the team/individual. The motion passed unanimously.

Membership Strategies

New Membership Model in Response to AB1575 Requirements

Staff presented a near final draft of the new affiliation model pricing structure and updated the Board on National DECA's ability to support this new approach. Note: Dennis pointed out on the front side of the pricing model it could discourage chapters with only 1-4 over the base amount. At high end, if it's over 500, anything more costs \$16.

It was noted that National DECA would not be able to lower national dues in one of our model options because it would require either board or bylaw amendment. However, National DECA did provide helpful advice on adding an additional membership level to reach as well as committed to helping adjust its national membership system and process to accommodate California DECA.

It was moved by Carl and seconded to approve the new DECA Program Affiliation Model Plan B for packaged student participation and materials to National DECA for approval. The motion was adopted.

Brycen and Ryan will work with national DECA to finalize the pricing, process, and the promotional materials to distribute to local chapters to kickoff the new school year and professional development will be provided at the Advisor Conference to brief chapters on the new approach.

Membership Recruitment Campaign

The board more closely reviewed reports on Membership and Chapter Development by District. The primary concentration is on Southern California development; Secondary Concentration was NORCAL beyond the Bay Area and continued evolution of Silicon Valley.

Since the targeted chapter recruitment campaign was initiated, California DECA has seen a growth in chapters of 36 with 21 coming on board in 2013-14. Prior to the campaign California DECA had a qualified prospect list of 59 chapters in the database which has now swelled to 136. Currently there are 20 chapters who have expressed interest in starting a program up from 2 previously. There are 60 schools who are actively working to become a chapter up from 2. There are 26 schools for which the lead is luke warm or not likely to produce fruit (12 unresponsive; 10 no longer interested; and 4 who requested follow up at a later time). 9 schools have completed the startup process except for entering students into the membership

and really close to becoming active chapters. 45 face to face visits have been made with prospective schools between the Danielle Tuason and Karissa Brown as our campaign leads and the state officer team and we steadily plan intentional outreach moments with chapters at existing California DECA events and meetings.

The Board was pleased with the steady progress and effort in the campaign and the resulting new chapters and prospective programs that we have reached. SoCal Membership continues to be the recruitment target. Adding San Diego to get surgical along with Orange County is key. LA Unified has tremendous potential and service to this market is key. The Board asked management to continue apprising SoCal Board Members on key things in development efforts and to report at SoCal CDC to enlist advisors and directors in the efforts by Board and how that is coming along. Mariam talked about having her officers do presentations at schools with administration.

Conferences/Competition

Reports from the various California DECA conferences were reported and reviewed as a state and by district. With California hosting WRLC in 2014, it's a great time to discuss how the state approaches DECA U and District Leadership Conferences in particular.

It was suggested to have Districts evaluate District needs and share their approach for meeting those needs and identifying what state support is needed. The concept of bringing back the LA Experience was shared and identified as a great event to perhaps consider for June time frame.

It was shared that conference management continues to be a tremendous time consumer for the management team which can distract or delay other organization development efforts. Just the existing District CDCs are like planning three state conferences at the beginning of the year let alone a State CDC that has doubled in size and now has attendance equaling the entire state membership size of California in 2008.

It was noted that the concept of securing temporary agency personnel to assist in competitive event scoring was a noble concept but did not produce the kind of support that is needed.

The Board will discuss fall District events and DECA U at their next meeting following WRLC to identify strategies for the future.

Chapter Awards Program (CAP) for 2014-15

The program was reviewed and the Board shared its desire to keep the program as it is beneficial for the chapters who participate.

Competition Training Plan for Orlando for ICDC 2015

Discuss required element and requests for deviations. Review this at next board meeting. Review actual results from ICDC. Really need to explore fall competition training plan. Combine with mini-conference approach. Need to explore what Ontario and Washington are doing to prepare their students.

Status of 2015 California DECA CDC

General session for 2015 will be Convention Center. General sessions at Great America. 450 rooms at Marriott. Hyatt 75. Hilton 100. Rates going crazy with 49er stadium coming in. Great shape for 15 and 18. Dennis brought up Seating chart need. How does it get done: Large chapters need a zone. New chapters straight up front (first year time). Alpha and rotate. Staff/ushers cannot police the rooms. Create signs in advance. Bring to advisor meeting.

State Officer Process: Concept of running events at District...and then letting students who don't get elected run at state for other positions. Look at more prime space for campaign exhibit booth. Idea of instant run off voting. Look at changing interview to screening (would require a constitution amendment).

2016 SCDC: February preferred dates are not available. Would be March 3-6. Anaheim Hilton was \$199 roommate. Disney was in 190 and \$100K food minimum. Ontario is spread across several hotels and no the nicest. First time to San Diego needs to be sensational since we haven't been. Need to train, promote, and make sure it's awesome for them. Explore DECA Night at Sea World, etc. Perhaps experiential leadership puzzle at Zoo. Look for entrepreneur conventions/meetings near our facility so our students can connect in on the same weekend.

2018 SCDC: Definitely have March 1-4. Possible conflict with preferred dates in February 22-25 (last weekend in February). Another group has a first option on those dates. Anaheim is packed out. Slow early February or late March. Anaheim Marriott says if we wait until less than one year out, they'll work with us. 2018 ICDC is Atlanta. 2017 is ICDC is Anaheim. Clause with T&C for two time conference will have an out for 2018.

With commitment in San Diego...we can sustain and work efforts to develop this area.

Carl moved and it was seconded to proceed with contracting with the Town & Country Hotel in San Diego for March 3-5, 2016 and February 22-25 (or March 1-4 as a second option), 2018 for the State Career Development Conference. The motion was adopted unanimously.

Management Team Contract Review/Approval 2014-15

The board expressed their appreciation in receiving the management agreement for the next fiscal year prior to the start of the new year. The new format also makes it easier for the board to review services and understand the more specific pricing for the areas that are priorities for the association.

The board feedback from executive session is that management performance is at a high level and they like the direction, continued progress, and services provided. The board suggested the development of a chart to look at previous years going forward along with percentages to get a better idea of fees over time and to ensure fair compensation for standing services and short term projects.

It was moved by Dennis and seconded to approve the 2014-15 management agreement with TRI Leadership Resources. The motion was adopted unanimously.

Next Meeting

December 5-6, 2014 at the Santa Clara Marriott.

Adjourn

The 2014 Annual May Meeting was adjourned at 12:21 p.m.

Respectfully Submitted,

Tami Raaker, Board Secretary

May 15, 2014
Date