

BOARD OF DIRECTORS - MINUTES

California Association of DECA, Inc.
Board of Directors Meeting
Marriott Residence Inn Downtown Sacramento
May 13, 2016

WELCOME & ROLL CALL

Board Members in Attendance

- Michelle McIntosh, State Advisor [ex-officio]
- Carl Schmidt, Board Chair
- Mary Whited, Board Chair-Elect
- Maureen Rankin, Board Treasurer
- Tami Raaker, Board Secretary
- Luke Freeman
- Juston Glass
- Christina Charlton
- Dennis Mifflin

Staff Members and Guests in Attendance

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

CALL TO ORDER

The Board Meeting was called to order at 8:45 a.m. by Chair Carl Schmidt on Friday, May 13, 2016.

APPROVAL OF THE MINUTES FROM THE PREVIOUS MEETING

Christina Charlton moved and it was seconded to approve the December 2015 minutes as amended. The motion was adopted unanimously.

REPORTS

State Advisor Report [Update from CDE by Michelle McIntosh]

Legislation

Legislation remains for SB1070. Current approach now for May Revise is to remove language sun setting the end date. Approaches and amounts may change, but, it appears it will be presented as perpetually funded.

Currently there is a six month differential on fiscal years for CDE contract and DECA. We may want to sync in the future.

Commitment from CDE and Assembly is high for CTE. Two more years of funding for pathways. Key is there will be more of a microscope, indicators for college and career readiness, and having data that shows efficacy and proof CTE/CTSOs are producing the readiness results we know it can. Accountability and sustainability are the key elements of conversations right now.

CDE Leadership Updates

Division Director Russ Weikle announced his retirement effective as of May 31, 2016. He is the current head of CTE at CDE. His position will be open for application.

Michelle shared that she's now been promoted to the Administrator role for oversight of CTOS and State Directors and 10 Sectors. FBLA, DECA, SkillsUSA and HOSA now her responsibility. This will mean DECA responsibilities will be shifted eventually. Currently, there are three positions open in her area which means transition from DECA responsibilities will not be immediate.

CTE/CTSO Requirements and Credentialing

Carl inquired about meeting he had in FBLA Board Meeting is an update from CDE sharing "one and done" meaning if you take any CTE course one time you're eligible to be in CTSO (no business or finance requirement). And, if you take it any time during four years of high school, you are eligible to maintain membership. The other element is the credentialing aspect and the interpretation is that any CTE teacher may partner with any educator/pathway to be advisor. There is significant concern and confusion in the field requiring considerable time to field and correct by both District Directors and DECA staff.

Mary brought up another element which is schools finally requiring a CTSO to go with their CTE program—but folks are meeting this requirement just by having a SkillsUSA program every CTE area can join. So, consolidation is happening in this district with FCCLA, DECA, FBLA, etc. just going to one organization.

Michelle as Administrator will be looking to provide clearer guidance, communication, compliance and strategy from CDE to the field across each organization and sector including closer alignment with Perkins Office. She will also explore monitoring methods of requirements to show proof of enrollment. The requirements are the same for all CTSOs and all are required to meet the same standard.

Financial Reports

Financial reports for California DECA were presented reconciled as of April 30, 2016. The Balance Sheet reports Cash on Hand of \$411,000 with ICDC and management contract still the primary major expenditures to close out the fiscal year.

Total income to date for the year is \$688,000 with total expenses of \$583,000. Income from membership affiliation from DECA Inc has not been finalized and showing in books yet.

An inquiry was made regarding Volunteer Reimbursement as an income item. It was clarified that this is the \$500 per officer that is contributed to California DECA. Officers now pay this by State Conference as their "skin in the game" to be an officer and to avoid entitlement mentality. The program has swung from 100% payment by the officers to 100% payment by California DECA and now it's a shared expense where California DECA pays about 80% of all costs to be an officer with officers making a relatively small contribution in comparison to the overall investment (\$6,000 - \$7,000 per officer) made by California DECA in the officer program.

It was moved by Mary and seconded to write off past state officer reimbursement contributions that have not been paid as of graduation and continue with the new process of requiring contribution prior to SCDC or the officer term will be concluded early. The motion was adopted unanimously.

Carl inquired about performance grants for private school-based DECA chapters, perhaps from California DECA margin or the California DECA Foundation. Private schools are not part of the formula and are ineligible to receive public funding. Let's inquire with Foundation to see if they can secure funding from alternate sources so that every chapter in California is supported.

Brycen reported that travel awards (\$50 per competitor) to ICDC continue to grow as our ICDC participation continues to flourish. As long as we are financially stable, we can continue to fund. The amount is significant and growing each year and if we see drops in membership and conference attendance due to CDE chapter requirements we may need to address.

By District

District reports are showing inflated at this stage of the year as California DECA has not billed Districts yet for the cooperative cost component. Brycen shared that vendors often lag in their

invoicing and our goal is to efficiently process one invoice for each District rather than piece meal continually.

Juston asked for clarification on the interest income that SV DECA is not receiving. The amount is nominal, but, from an equity perspective all of the groups should be trying to maximize funds. It was clarified that the interest is reported, just lower down on the financial statement.

Juston suggested having a column with previous years so when we are reviewing electronically it is easier to view changes. This was noted for future action and clarification for the annual financial reports.

Consolidated Financial reports are on file in the Board of Directors Group folder for future reference. All reporting to DECA Inc for 990 roll up includes California DECA and Districts.

Budget 2016-2017

Each year we run budget to actual, examine performance, and make adjustments based on that. We're fiscally conservative pushing projecting lower income and assertive expenses. Board would like to see column to show prior years or highlights in accounts to show highlights differences and adjustments. Moving from paper to virtual makes it necessary to somehow see things easier. Financial management will address in future meetings ways to highlights. Dennis shared that May is really a time to see progress, December is the time to examine closely past performance with all accounting and IRS reporting wrapped by that meeting.

The Board inquired what percent of funding is driven from membership. Affiliation is in status now with our growth that affiliation cannot sustain California DECA operations and initiatives alone. We cannot operate healthily without it, but, it's now no longer the core driver of income. This diversification of revenue sources has been an ongoing strategy of the Board.

Key elements to note is increase in income and expenses for Amped and ELS since California is hosting ELS and CDE is supporting advisor participation in Amped. Travel awards continue to go up (\$50 per competitor). ICDC allocations and California attendance continues to grow which is nearing \$18,000. Advisor Conference is another expense area continues to grow and is a pure expense. It originally started with roughly 20 advisors and was paid by CDE grants. Last year's event was over 60 folks, one location, with a growing SoCal base and continues to grow.

SCDC has a large differential in the budget. Part of the greatest expenses in this area is food and parking costs (primarily an investment for judges). It's not that we do not want to make the investment, it's that the hotel costs are premium and monopolistic and just tough places to spend funds (\$30 for a sandwich plus tax and gratuity) when the actual value for judges isn't that high and funds so needed for investment in students.

Financial Study 2013-14 Fiscal Year

The Ruboyanes Company CPA completed the review and examination of the FY 2013-14 financial reports. Audits happen every four years, financial reviews happen in the in between years. Audit Committee searches and selects firms. All Board have access to Quickbooks Online to review 24/7 with Treasurer reviewing and approving every transaction and monitoring account balances, statement, check requests.

Board inquired on Debt Ratio and Savings Ratio. Will look at examining closer to see what numbers are factored here, if it's a CTSO/DECA trend or something that we can tighten up or just a function of California DECA operating on accrual basis and review done on cash basis.

Board pointed out Current Ratio is strong and high which is the flip side.

It was moved by Dennis and seconded to accept the financial review for the FYI 2013-14 as presented.

Management Team Report [Update by Brycen Woodley & Ryan Underwood, Management Team]

- **Membership**

Year over year affiliation and chapter growth is up significantly for 2015-16. Last year was 5,193 compared to 5,863 for this year. Chapter growth last year was 76 and will end the year at 99. This represents 30% increase in chapter growth year over year and a 13% increase in membership. Since the change in administrative leadership in California in 2009 this represents a 115% increase in chapter growth and 136% increase in membership.

For the past four years, we've been cultivating a chapter prospect list of over 100 schools across California with particular concentration in Southern California. This year all those chapters finally began to move to official chapter status. SoCal membership is at 1,260—historic level and showing the ROI from Board investment in development efforts.

All chapters coming on board are CTE programs and appropriately credentialed advisors.

Tracking and reporting participation are stats we track. Michelle noted that she would like to see those stats and figures to demonstrate engagement and involvement for public dollars invested. Want to ensure that "joining DECA" means "active participation" so appropriate support and accountability can be made. There are some parameters in place (based on the levels) for 100 funding to monitor participation. We may need to start looking at examining "Participation Rate" to see engagement levels vs membership levels. Participation at Fall and CDC.

A suggestion was made to hire a State Advisor Coach to support the new advisors and growth of new chapters. Michelle is going to look into possibilities for funding from CDE (stipends, expenses, travel, etc) for potentially a position or maybe even one per district. DECA Staff will also look into some models so we can have further discussion on this.

There was a discussion on trying to add some written events into So Cal's district conference so they can have some practice before State.

- **Conference Review**

Total SCDC attendance this year is 2,495. ICDC attendance was 509. SoCal LDC was 62 and CDC 362. NorCal was 141 and CDC 1,578. Silicon Valley LACE was 594 and CDC was 1,195. Overall fantastic year for conference participation and growth with the exception of variances in fall participation.

- **Status of CDE Contracts SB1070**

Previous contract billed out 100% and wrapped in December 2015. CDE Contracts (SB1070) Invoice and Reporting are complete and current.

State Officer Team Report

The State Officer Team report was submitted for review. The Board shared its appreciation for the work of the officers during the past year and for their commitment to California DECA. The overall program has continued to advance well based on the strategy outlined by the Board and the funding made possible through CDE.

ACTION ITEMS

- **Approval of 2016-17 Budget**

It was moved by Dennis and seconded to approve the 2016-2017 budget as presented. The motion was adopted unanimously.

- **Approval of 2016-17 Calendar**

It was moved by Luke and seconded to approve the 2016-2017 California DECA calendar as presented. The motion was adopted unanimously.

- **Management Team Contract Review and Approval 2016-17**

The primary changes to the agreement for the new year is that conference housing is not done directly through the hotel but rather through California DECA with registration for state conference to streamline the process and minimize chapter issues with various hotels. The question came up about still being able to use credit cards using this process and TRI shared

that this can be accommodated. It was also suggested that marketing tools for parents and administrators would be very helpful to consider adding into the scope of services.

It was moved by Mary and seconded to accept the Association Services Annual Agreement for the fiscal year 2016-2017. The motion was adopted unanimously.

- **Board of Director Operations and Initiatives**

It was moved by Carl to approve the slate of Board Officers for 2016-2017 as follows:

- Luke Freeman, Board Chair Elect
- Christina Charlton, Board Secretary
- Maureen Rankin, Board Treasurer

The motion was adopted unanimously.

- **Policy Discussion**

- Self-Certification process and award for chapters and students (Dennis). Michelle will research a certification process.
- Cisco online class option was discussed or hybrid of classes was suggested to fulfill CTE requirements for CTSO participation (Dennis). Michelle shared that at the current time CDE will not permit online classes to fulfill CTE requirement unless it is a program on a high school campus with a CTE certified credential teacher. This is in keeping with the philosophy that CTSOs like DECA are best delivered as a co-curricular element alongside and integrated with instruction.
- Engagement of State Officer Candidates (Michelle). Discussion centered upon how to keep students involved that ran for state office and were not elected. These students are amazing and dynamic. Would a District Action Team or some kind of Committee or DECA Ambassador program be a way to retain and engage these bright leaders? May need to have a discussion about NorCal District Action Team again and look at funding, securing a District Advisor, etc.
- Receipts/objective evidence for reimbursements (Carl). The past practice has been to primarily require original source documents for approved expenditures. But, now that the IRS has been accepting digital copies for over a decade and it's become a common practice, it could improve services (e.g. state officers and advisors seeking reimbursement) and be more efficient if the mailing of original documents could be replaced with continuing to accept that method or allowing for digital receipts.

It was moved by Dennis and seconded to accept digital or hard copy of receipts for the purpose of expense documentation. The motion was adopted unanimously.

It was reported that DECA regularly receives small invoices and reimbursement requests that are budgeted, but still must go through the rigorous approval process we have put into place. It was suggested that designating a ceiling for authorized disbursement if budgeted and not being received by the management team or Board could be considered to save time.

It was moved by Carl and seconded to pre-approve budgeted expenditures under \$50 to be processed without Board Treasurer approval as long as all other policies have been met and expenditures are not made payable to the Board Treasurer or DECA Staff (management team). The motion was adopted unanimously.

- Restatement of policy concerning student officer eligibility and certification of compliance with policy for 2016-17 (Carl). It was confirmed that candidates must have a CTE course on their campus (with a CTE credentialed teacher) and they only have to take one course in any of their four years.
 - Concerns about Advisor/Chaperoning at State (Advisor Submitted). Proposed that an advisor check-in via text once room checks are done and required to subscribe to the online service "Remind" in order to communicate with advisors and support. May volunteered to serve as the contact for this procedure (or any other potential disciplinary or conduct situations).
- **State Conference**

2016

Review and Recap

Feedback and Discussion

Need to have food for entertainer after performance. Need incentive for participation in the Kickstart Panel activity. A digital report of (of scanned name tag) attendance at workshops would be helpful.

2017

Busses and Security

Suggested to buy bags (to carry walking shoes), pay for security along the way and dismiss the need for buses (for a one mile walk route to convention center).

Juston moved and it was seconded to amend transportation from shuttles to students walking with security along the route. The motion was adopted.

Overflow Hotels

Room situation - Marriott and Hilton maxed out, Hyatt wants more money for extra rooms so now we need to determine whether we need to contract more rooms or not. May have less due to CTE requirement. It's risky to contract out too many but if you don't fill your reserved block, you still pay. It was suggested that we plan for 2500 attendees.

Friday Night Activities

It was proposed that we do the activity Friday night instead of squeezing in the dance after the Awards Saturday night. Finish competition activities, leave a window for chapter dinners, and then discussed activity options – dance/game room/photo room etc. After soliciting feedback from the state officers on whether they want the activities on Friday or Saturday, the consensus was that Saturday is better (because competition is over). In addition, state officers want to add workshops to maintain a focus on leadership (and not solely an emphasis on competition).

It was decided to hold a General Session on Friday evening with a featured speaker. No general session Thursday evening due to lack of space. No Great America activity this year as this was not well received by attendees in 2015. Saturday night plans will remain the same as previous years with Recognition Session and then dance afterward.

- **2019 & Beyond**

Currently contracted for two more years (2017 in Santa Clara and 2018 in San Diego). Time to start site selection and contracting for 2019 and beyond.

Consider Sacramento, Fresno and even San Diego (due to the proximity to growth strategic areas). Management team will have RFP's ready to review at the December Board Meeting.

- **ICDC 2017 (April 25th -30th)**

Anaheim, California (CA DECA Hosting Duties)

Discussion: Hosting requires extra duties so advisors need to be on alert. We need to recruit 1100 judges. Michelle to recruit CDE to come to Administrator Day. Discussion about this year's ICDC after party and discussed possibilities for a state-wide activity to take in the local scene (like Atlanta had reserved the saloon). Advisor lounge suggested for a place to go and hang out.

- **Emerging Leader Summit 2016**

San Francisco, CA July 8-10

Chapter Participation and Involvement. TEAMTRI developed the ELEVATE program for the training that can be adapted to other needs for CA DECA. \$5000 grant amount as a pool to try and help support funding.

- **DECA AMPED**

Denver, Colorado -
June 21st – 24th

Grant and Participation Update (Grant money for 25 advisors) 11 are committed. Still looking for support on filling these available spots.

- **Advisor Conference – San Jose Marriott**

Plans for Social Activity on Friday Night
San Jose Improv (2nd St.) was suggested as an idea to look into.
Suggested a Google Tour, too.

- **Chapter Affiliation/Curriculum Program**

Review and Feedback from 2015-2016
Discussion: Successful implementation (and tweaks from last year to this year).

NEXT MEETING

- Santa Clara Marriott, Santa Clara, CA
- December 8th & 9th 2016 (Thursday arrival, done by Friday at 5)
- Thursday Arrival Day. Friday meeting starts at 8:00 a.m. and concludes early evening.

ADJOURNMENT

It was moved by Carl and seconded to adjourn at 2:00 p.m. The motion was adopted unanimously.

Respectfully submitted,

Tami Raaker, Board Treasurer

May 13, 2016

Date