

Minutes
National FFA Board of Directors
and National FFA Officers Meeting
Indianapolis, Indiana
July 16 - 18, 2005

Board of Directors:

Larry D. Case, Chairperson of the Board and Coordinator, Agricultural & Rural Education, Office of Vocational and Adult Education, U.S. Department of Education, Washington, D.C.

Steve Brown, U.S. Department of Education Representative; State FFA Executive Secretary, Missouri FFA Association, Jefferson City, Missouri

Steven R. Harbstreit, U.S. Department of Education Representative; Associate Professor, Agricultural Education, Kansas State University, Manhattan, Oklahoma.

Dale Gruis, State Supervisor, Ag Education Consultant, Iowa Dept. of Education, Des Moines, Iowa

Nancy J. Trivette, State Supervisor, Program Leader, Agricultural Education, New Jersey Department of Agriculture, Trenton, New Jersey.

Steven Gass, Program Consultant, State FFA Advisor, Tennessee Dept. of Education, Nashville, Tennessee

William Deimler, State Supervisor; Specialist, Agricultural Education, Utah State Office of Education, Salt Lake City, Utah.

Jason Larison, U.S. Department of Education Representative, Ag Ed Instructor/FFA Advisor, Holton High School, Holton, Kansas

Linda A. Rist, U.S. Dept. of Education Representative, Ag Ed Instructor/FFA Advisor, West Central High School, Hartford, South Dakota

Officers of the Board of Directors:

Larry D. Case, National FFA Advisor and CEO; Coordinator, Agricultural & Rural Education, Office of Vocational and Adult Education, U.S. Department of Education, Washington, D.C.

C. Coleman Harris, National FFA Executive Secretary; Education Program Specialist, Agriculture, Division of High School, Postsecondary and Career Education, U.S. Department of Education, Washington, D.C.

Marion Fletcher, National FFA Treasurer; Supervisor for Agricultural Education, State Department of Education, Little Rock, AR

National FFA Officers:

Jackie Mundt, National FFA President, Pittsville, Wisconsin

Emily Horton, National FFA Secretary, Riverton, Wyoming

Justine Sterling, National FFA Central Region Vice President, Hardtner, Kansas

Jay Kelley, National FFA Eastern Region Vice President, Chillicothe, Illinois

Brian Hogue, National FFA Western Region Vice President, Wilcox, Arizona

Rachael McCall, National FFA Southern Region Vice President, Rochelle, Georgia

Consultants to the Board:

Stacy A. Gartin, Consultant (AAAE), West Virginia University, Agricultural and Environmental Education, Morgantown, West Virginia
Steven Frazee, Consultant (AAAE), Texas Tech University, Agricultural Education & Communications, Lubbock, Texas
Barry Croom, Consultant (AAAE), North Carolina University, Agricultural and Extension Education, Raleigh, North Carolina
Lee James, Consultant (NAAE), Weir, Mississippi
Paul Larson, Consultant (NAAE), Appleton, Wisconsin
Dale Beaty, Consultant (Past President, Nat'l. FFA Alumni Council), Milton, Wisconsin
Sonny Deke, Consultant (President, Nat'l. FFA Alumni Council), Marion, Iowa
Norman Gay, Consultant (President Elect Nat'l FFA Alumni Council), Perry, Georgia
Debbie Cavett, Consultant, Director, Interagency Initiatives, USDA, Washington, D. C.

Others present for all or portions of the meeting:

Doug Loudenslager, Chief Operating Officer, National FFA Organization and National FFA Foundation, Indianapolis, Indiana
Ellen Williams, Executive Assistant to the COO, National FFA Organization, Indianapolis, Indiana
Bill Stagg, Director, Information Services Division, National FFA Organization, Indianapolis, Indiana
Tom Kapostasy, Director, Business Services Division, National FFA Organization, Indianapolis, Indiana
Anna Melodia, Director, Education Division, National FFA Organization, Indianapolis, Indiana
Kent Schescke, Director, Development and Partnerships Division, National FFA Organization, Indianapolis, Indiana
Vicki Settle, Team Leader, Financial Services, National FFA Org., Indianapolis, Indiana
Dwight Armstrong, President and Chief Executive Officer, North American Nutrition Companies, Inc. Lewisburg, Ohio
Pam Holbert, Executive Assistant, National FFA Headquarters Operations, Alexandria, Virginia

Saturday, July 16, 2005

Board and Officer Retreat – “The Future for Agricultural Education and the FFA”

Research Committee met during lunch.

Special Session I Reports and Updates

- a. National FFA's next steps in meeting the expectations of Sarbanes/Oxley
Joe Vande Bosche, BKD, LLP
- b. Demonstration of On-Line Convention Registration System
Sheridan Gilchrist/Ellen Williams
- c. Indy Convention Update – Kent Schescke
- d. LifeKnowledge Update – Kelly Horton, Tom Kapostasy

Sunday Afternoon, July 17, 2005

Board Committee Meetings – Finance, Policy and Education

Special Session II Report of Division Directors – Bill Stagg, Kent Schescke, Tom Kapostasy and Anna Melodia

Monday July 18, 2005

Jackie Mundt, National FFA President, called the meeting to order at 8:30 in the morning and the National Officers conducted the opening ceremonies.

Brian Hogue gave reflections.

Chairman Case reviewed board procedures.

The National Officers gave remarks on significant experiences to date. Some of the highlights are as follows:

- Justine shared comments on the trip to Japan and visits to state conventions.
- Rachael shared her experience at NLCSO theme “Dare to Soar”.
- Jay commented on State President’s Conference and the appropriateness of their theme, “Cultivate the Experience”.
- Emily provided the group with information on her business and industry tour.
- Jackie mentioned that one of the goals of this year’s officer team was to emphasize the importance of helping others by encouraging participants at the 2005 National FFA Convention to offer some extra change to feed the hungry. Board members set the example by passing a cup around the table and immediately raised over \$21.00 for this cause. Jackie also emphasized the importance of letting Louisville know that FFA has appreciated the hospitality that their city has extended to FFA at the National Convention.
- Brian showcased “Living to Serve” by sharing that he will travel with his church to Mexico to build houses.

MOTION: Moved by Jason Larison, seconded by Steve Harbstreit and carried to commend the National Officers on an exceptional year of true commitment to service.

Seating of New Board Members and Consultants

Larry Case welcomed Steven Gass, Steve Brown and Jason Larison. He pronounced them duly seated as members of the National FFA Board of Directors.

The National Officers presented pins to the new members.

Dwight Armstrong spoke briefly about the National FFA Foundation implementing a new recognition category for individual donors – the Rising Sun Contributors. This level of recognition is for those individuals who contribute at the \$1,000 and higher level annually. Larry Case was presented a token of appreciation for his contribution.

At this time, Chairman Case asked the Nominating Committee to recommend two board members to be appointed to the Governing Committee. Committee member, Steve Brown indicated that the he would report on their decision later in the meeting after the Finance Committee Report.

Related Organization Reports

- The National Council for Agricultural Education – Nancy J. Trivette (*Attachment #1*)
- AAAE – Steven Frazee
- NAAE – Lee James (*Attachment #2*)
- Alumni – Sonny Deke
- USDA – Debbie Cavett

Approval of Minutes

MOTION: Moved by Rachael McCall (Dale Gruis), seconded by Justine Sterling (Steve Harbstreit) and carried to approve the minutes from National FFA Board of Directors and National FFA Officers Meeting on January 12-22, 2005 and minutes from Conference Call Meeting May 9, 2005.

Report of the Treasurer

Marion Fletcher, Executive Treasurer, reviewed the financial status of the organization and responded to questions.

MOTION: Moved by Brian Hogue (Steve Brown), seconded by Jay Kelly (Buddy Deimler) and carried to accept the Treasurer's Report.

Research Committee Report – Stacy Gartin

There was a friendly amendment to the Scholars in Residence Program motion to add that the FFA Foundation would find sponsorship dollars for this program.

MOTION: Moved by Emily Horton (Steve Harbstreit), seconded by Justine Sterling (Nancy J. Trivette) and carried to develop a "Scholars in Residence Program" to provide technical assistance to the Education and Research, Development and Stewardship Divisions @ \$25,000 per year and to seek funding from the National FFA Foundation for this program.

Policy Committee Report – Steve Harbstreit

Members of this committee suggested the Policy/Procedure Book be made available on line and that if a section were to be changed, only that section would be updated. It would not be necessary to copy the entire book. It was also suggested that each section be numbered individually. No action at this time.

MOTION: Moved by Rachael McCall (Linda Rist), seconded by Jay Kelly (Buddy Deimler) and carried to request that the national FFA staff explore the advisability of

combining the constitution and by-laws into a single document and report its findings at the January 2006 board meeting.

MOTION: Moved by Brian Hogue (Steve Brown), seconded by Rachael McCall (Steven Gass) and carried to approve the attached policy statement and deletions to policy regarding “National FFA Structure and Staffing.”

MOTION: Moved by Justine Sterling (Dale Gruis), seconded by Brian Hogue (Nancy J. Trivette) and carried to approve and adopt the attached long-range planning goal, key strategic priority areas and mission statement for the National FFA Organization. (*Attachment #3*)

MOTION: Moved by Emily Horton (Nancy J. Trivette), seconded by Justine Sterling (Steve Harbstreit) and carried to approve the Memorandum of Understanding between the National FFA Organization and the elected leadership of the National FFA Organization’s Alumni Association. (*Attachment #4*)

MOTION: Moved by Rachael McCall (Dale Gruis), seconded by Brian Hogue (Jason Larison) and carried that the national staff draft a code of conduct for the National FFA Board of Directors, Consultants and Foundation Board of Trustees, circulate it to Policy Committee Members for review and comment, and present it for consideration at the January 2006 meetings of the FFA Board and Trustees.

MOTION: Moved by Brian Hogue (Buddy Deimler), seconded by Rachael McCall (Steven Gass) and carried to recommend that the National Council for Agricultural Education adopt the attached resolution endorsing the “25 x 25” agriculture energy vision of the Ag Energy Work Group stating that “agriculture will provide 25 percent of the total energy consumed in the United States by 2025 while continuing to provide abundant, safe and affordable food and fiber.” (*Attachment #5*)

Education Committee Report – Nancy J. Trivette

MOTION: Moved by Rachael McCall (Jason Larison), seconded by Justine Sterling (Buddy Deimler) and carried to approve for the receipt of the American FFA Degree, the attached list of candidates, submitted by state associations and verified as meeting all minimum requirements for 2005. Further move that the National FFA Staff conduct the American FFA Degree appeal process for any applications received which did not meet the minimum qualifications and report to the Governing Committee of the Board of Directors for consideration as per board policy. (*Attachment #6*)

MOTION: Moved by Justine Sterling (Steven Gass), seconded by Rachael McCall (Linda Rist) and carried that the National FFA Organization bestow Honorary American FFA – Teacher Degrees as listed at the 2005 National FFA Convention. (*Attachment #7*)

MOTION: Moved by Emily Horton (Steve Brown), seconded by Brian Hogue (Steven Gass) and carried that the National FFA Organization approve the attached list of candidates for other degrees as listed at the 2005 National FFA Convention. *(Attachment #8)*

MOTION: Moved by Emily Horton (Steve Harbstreit), seconded by Rachael McCall (Steve Brown) and carried that the National FFA Organization bestow Distinguished Service Citations, as listed, at the 2005 National FFA Convention. *(Attachment #9)*

MOTION: Moved by Brian Hogue (Steve Brown), seconded by Jay Kelly (Jason Larison) and carried that the National FFA Organization bestow VIP Citations, as listed, at the 2005 National FFA Convention. *(Attachment #10)*

MOTION: Moved by Justine Sterling (Steve Brown), seconded by Jay Kelly (Steven Gass) and carried to approve Steve Harbstreit for the nominating committee tabulator for the 2005 National FFA Convention.

Finance Committee Report – Dale Gruis

MOTION: Moved by Emily Horton (Steve Brown), seconded by Rachael McCall (Linda Rist) and carried to approve and adopt the proposed Financial Records Management Policy as attached. *(Attachment #11)*

No action at this time on the Confidential Complaint Handling Process motion.

MOTION: Moved by Justine Sterling (Steve Harbstreit), seconded by Brian Hogue (Steve Brown) and carried to approve the attached policy, which replaces the existing set-aside policy (II. B. 05). *(Attachment #12)*

MOTION: Moved by Brian Hogue (Linda Rist), seconded by Jay Kelly (Buddy Deimler) and carried to transfer any remaining unencumbered funds from the Research & Development Fund to unrestricted net assets on September 1, 2005; to transfer any required amounts from unrestricted net assets to the Operating Reserve Fund to attain a net \$5 million unencumbered balance on September 1, 2005; and to transfer any required amounts from unrestricted net assets to the Capital Reserve Fund to attain a net \$1 million unencumbered balance on September 1, 2005.

MOTION: Moved by Rachael McCall (Jason Larison), seconded by Jay Kelly (Buddy Deimler) and carried to create and implement a 2% of revenues set-aside charge on all applicable revenues to benefit the National FFA Foundation's Ag Ed Strategic Opportunities Fund, beginning with the FYE2006 operating budget. This set-aside is to be maintained until either the National FFA Organization makes a total contribution of \$1 million or 7 fiscal years transpire. The set-aside will not be applied in any budget year in which the National FFA Organization is also applying an operating reserve set-aside charge. The final set-aside amount transferred will be limited to the

actual excess revenues earned in any year without considering the set-aside charge. Any cash payment to the National FFA Foundation will be made after the final audit of the National FFA Organization's books is complete each year.

MOTION: Moved by Rachael McCall (Buddy Deimler), seconded by Justine Sterling (Nancy J. Trivette) and carried to accept the 2005-2006 National FFA Organization budget including any changes mandated at the July 2005 board meeting. (*Attachment #13*)

MOTION: Moved by Brian Hogue (Nancy J. Trivette), seconded by Jay Kelly (Linda Rist) and carried to submit to the delegates for consideration at the 2005 National FFA Convention that 2006-2007 dues be set at \$5.00 per member per year.

MOTION: Moved by Emily Horton (Steven Gass), seconded by Rachael McCall (Nancy J. Trivette) and carried to formally confirm, as discussed in January, 2005, that the standard registration fee for the Fall, 2006 National FFA Convention will be \$40. Registrants who participate in the Indianapolis Housing Block and who complete their transactions by the regular registration deadline will receive a \$10 dollar discount for their general registration fee.

MOTION: Moved by Jay Kelly (Steve Brown), seconded by Justine Sterling (Steve Harbstreit) and carried to adopt the attached retirement distribution amendment resolution that provides for a one-time catch up contribution for new employees entering service in 2003 and 2004. (*Attachment #14*)

MOTION: Moved by Brian Hogue (Nancy J. Trivette), seconded by Justine Sterling (Jason Larison) and carried to authorize capital spending projects on the attached list totaling \$393,200. (*Attachment #15*)

MOTION: Moved by Emily Horton (Jason Larison), seconded by Brian Hogue (Buddy Deimler) and carried to authorize the creation of self-sustaining LifeKnowledge Center for Agricultural Education within the Research, Development and Sponsored Program Division.

There were two friendly amendments agreed to by all in the above motion 1) The word unit was changed to *center* and 2) and *for Agricultural Education* was added after the word center.

MOTION: Moved by Justine Sterling (Steve Harbstreit), seconded by Rachael McCall (Steve Brown) and carried to authorize the National FFA Foundation to seek \$5.5 million for the creation of self-sustaining LifeKnowledge Center for Agricultural Education to continue development of lessons, research, materials and support tools for LifeKnowledge. If a minimum of \$1.5 million of fixed sponsor commitments is secured, the LifeKnowledge Center for Agricultural Education would begin September 1, 2005.

Two friendly amendments agreed to by all corrected the spelling of lessons and changed LifeKnowledge Program to LifeKnowledge *Center for Agricultural Education* in the above motion.

MOTION: Moved by Brian Hogue (Buddy Deimler), seconded by Emily Horton (Steven Gass) and carried to authorize the COO to commit up to \$750,000 from operating reserves to engage professional services to research the contractual value of LifeKnowledge to external entities in the following order:

Phase 1: Marketing opportunity analysis study (\$100,000-\$200,000), if findings are approved by board proceed to:

Phase 2: Business plan development (\$100,000-\$200,000), if findings are approved by board proceed to:

Phase 3: Legal, investment and licensing expert services for negotiating contracts to secure FFA interests (\$200,000-\$350,000)

MOTION: Moved by Brian Hogue (Dale Gruis), seconded by Emily Horton (Steve Brown) and carried to authorize the COO to undertake a project, with guidance from FFA's legal, accounting and investment advisors (and investment guidelines), to negotiate contracts with external not-for-profit or commercial firms to license the use and resale of current and future LifeKnowledge competencies, lessons and materials and require Board of Directors' final approval for any contract with total value of more than \$500,000.

MOTION: Moved by Rachael McCall (Steve Harbstreit), seconded by Jay Kelly (Buddy Deimler) and carried to authorize the COO to seek sponsorship, supplier and philanthropic partners for LifeKnowledge and prepare grant proposals to National Education Foundations for the delivery of LifeKnowledge materials to U.S. secondary school students by other non-for-profit organizations, with the licensing of these rights for an annual per student fee.

Buddy Deimler reported on the May 24, 2005 special committee conference call of the Appeals Committee. (*Attachment # 16*)

Chairman Case indicated that he would like to see a policy in the Policy/Procedures Book on how to handle the types of appeals mentioned in Buddy's report.

At 2:05 p.m. Steve Brown, member of the Nominating Committee, reported that their appointees to the Governing Committee were Steve Harbstreit and Linda Rist. The nominations were closed and a vote was taken.

MOTION: Moved by Rachael McCall (Steve Brown), seconded by Brian Hogue (Dale Gruis) and carried to appoint Steve Harbstreit and Linda Rist to the Governing Committee.

Comments from Retiring Board Members/Consultants were given by Stacy Gartin, Paul Larson, Lee James, Dale Beaty and Tyler Grandil.

MOTION: Moved by Emily Horton (Steve Brown), seconded by Brian Hogue (Linda Rist) and carried to thank the board members for their service.

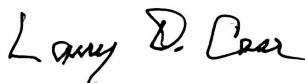
Marion Fletcher challenged the board members and consultants to make an individual pledge of \$40 to the National FFA Foundation towards the purchase of a brick at the FFA Center In Indianapolis.

Next Meetings

- Next Board of Directors Meeting – October 24, 2005 (Board of Directors and National FFA Officers), Louisville, KY
- Next Board of Trustees, Executive Committee – Wednesday, October 26, 2005, Louisville, KY (12:00 – 1:30 lunch meeting)
- Next Board of Directors, Consultants and Trustees Meeting – Monday, January 30 – Thursday, February 2, 2006 just prior to the In-service in Indianapolis

Adjournment

The meeting was adjourned at 2:30 p.m.



Larry D. Case



C. Coleman Harris

