



CALIFORNIA ASSOCIATION FUTURE FARMERS OF AMERICA
AGRICULTURAL EDUCATION
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Ladies and Gentlemen;

We would like to extend a warm welcome back as you're a few weeks in to the 2018-19 school year. We would also like to take this opportunity and provide an overview to the State FFA Convention budget. We would like to express our heartfelt apology for how we have gotten to this point. We freely admit that we made mistakes in the planning of the 2018 State FFA Convention budget, and we need to accept responsibility for those mistakes. Many of our mistakes stem from under estimating many of the major expenses we would incur. In addition to that we failed to communicate appropriately as those expenses were rolling in.

In a spirit of improvement, we would like to start by communicating a clearer report on the 2018 State FFA Conference budget. It has been brought to our attention that there are a still a variety of questions regarding the outcome of the 2018 State FFA Convention Budget, as well as lingering questions on why we left the city of Fresno in the first place. This message will hopefully provide answers to these questions and clear up the gaps in the communication of these items.

We need to begin with how we have gotten here in the first place. During the 2013 State FFA Convention we had an agriculture teacher fall in the City of Fresno parking lot. This individual was severely injured, and this eventually led to a law suit between the individual and the City of Fresno. At that point the City of Fresno filed a countersuit against the California FFA Association stating that California FFA is liable for their parking lot, because the accident occurred during our event. This lawsuit continued until the fall of 2016. During that time, we continued to conduct the convention in Fresno while the City of Fresno sued CA FFA, its largest client. However, we expressed our concerns with the deteriorating conditions of the Fresno Convention Center facilities and the safety of our participants. This led to us being increasingly more worried about the risk we were putting the association in. We had concerns with the safety in Selland Arena, the increase of transient traffic, vehicle theft, hotel quality, etc.

As the lawsuit continued we noticed the safety concerns in Fresno exposed the California FFA to more risk regarding similar lawsuits, if another tragic accident occurred. In the Fall of 2016 a judge dismissed the California FFA from the lawsuit. However, the City of Fresno continues the suit against California FFA by claiming a breach of contract for the 2013 contract and seeking attorney fees of more than \$750,000. These fees continue to incur and increase until the lawsuit is settled between the City of Fresno and the injured individual mentioned above.

This continued litigation from the City of Fresno forced our hand and led to the rushed decision to find a new venue. In the spring of 2017 we provided notice to the City of Fresno that we would not be conducting the 2018 State FFA convention in Fresno. On short notice the only venue we could find that could hold a convention of our size during the month of March, April, or May was the Anaheim Convention Center. This brings us to this past year, and the rushed approach to organize the 2018 State FFA Convention in Anaheim in approximately 9 months.

As we moved into the planning, we began to realize the increased challenges with moving the event. Although it has been reported that the student experience was positive, the budget challenges we faced were difficult. Most of those budget challenges occurred in March, in our last month of planning. The outcome was we had very little room to adjust and alter our plans at that time, and that leads us to the unfortunate budget outcome we found ourselves in after convention was complete. In a nature of transparency below you will find the following current information.

•Actual 2018 Budget Outcome

*Extracted from Official 2017-2018 California FFA budget at the close of the fiscal year

2018 State Leadership Conference		
Income	Budgeted	Actuals
<i>Registration</i>	930,000.00	1,362,305.00
<i>Sponsorship</i>	150,000.00	344,317.80
<i>Scholarship</i>	40,000.00	44,350.00
<i>CDFA Grant</i>	120,000.00	120,000.00
<i>CTSO (State Grants)</i>	19,020.47	19,020.47
<i>Misc.</i>	30,000.00	1,600.00
Total Income	\$1,289,020.47	\$1,891,593.27
Expenses	Budgeted	Actuals
<i>Recreation-Disney's CA Adventure</i>	515,000.00	515,000.00
<i>Scholarship/Awards</i>	50,000.00	62,113.70
<i>Professional Services</i>	450,000.00	811,371.85
<i>Rental-Hotel/Facility/Other</i>	225,000.00	434,288.53
<i>Meals</i>	75,000.00	162,541.20
<i>Travel</i>	50,000.00	61,926.48
<i>Regional Rebates</i>	25,000.00	32,575.00
<i>Supplies/Printing</i>	100,000.00	95,396.07
Total Expenses	\$1,490,000.00	\$2,175,212.83
Net	-\$200,979.53	-\$283,619.56

•Budget Outcomes past 10 Years

2008-2017 State Conference Budget Results			
Year	State Conference Income	State Conference Expenses	State Conference Net Total
2008	\$620,526.52	\$596,978.01	\$23,548.51
2009	\$660,321.52	\$626,510.23	\$33,811.29
2010	\$645,933.65	\$504,423.92	\$141,509.73
2011	\$608,469.03	\$565,570.42	\$42,898.61
2012	\$680,537.72	\$612,194.90	\$68,342.82
2013	\$718,823.71	\$685,239.41	\$33,584.30
2014	\$810,166.76	\$741,440.62	\$68,726.14
2015	\$984,937.39	\$870,240.79	\$114,696.60
2016	\$1,067,416.75	\$996,024.72	\$71,392.03
2017	\$1,139,085.98	\$1,075,136.79	\$63,949.19
			\$662,459.22
2018	\$1,891,593.27	\$2,175,212.83	-\$283,619.56
2008-2017 Net (-) 2018=			\$378,839.66

Solutions for Future Conferences

The information above outlines that the 2018 State Convention financial outcome was less than ideal, and we had to reach in to the reserves we had built over the past 10 years. We can ensure you that State and Association staff are committed to operating a sustainable state FFA convention budget, and that we take this issue extremely serious. We are exploring a variety of solutions including extensive budget cuts, revenue opportunities, and changes to our communication practices to the adult board of directors and the field. Below are a few cost reduction strategies being explored:

Budget Cuts

1. Review Staff & Volunteer Meal needs
2. Review Registration Material (I.E. Eliminating LED Wristbands)
3. Review Staff & Volunteer Hotel Needs
4. Elimination of ACC North and Hall A on final day of event.
5. Scaled back New Officer Dinner
6. Elimination of State Band and Choir
7. Review of External needs (Pipe and Drape, Electricity, Internet, Etc.)
8. Reduction of Backstage Staff and Additional Volunteers
9. Going to Bid on Arena Audio Visual Company.

Along with the reviews and adjustments mentioned above, we have instituted a new strategy for communicating with the Adult Board of Directors and the teaching field. Those strategies are listed below:

1. Monthly Planning Conference Calls and inviting Board Chairmen to listen in.
2. At last Board meeting we provided an extensive summary of all expenditures from last year, and board approved moving forward with a new Audio Visual Company.
3. Increase conference calls or on sight meetings of the board of directors.
4. Provide summary reports (similar to this report) to teachers when necessary to provide a consistent message regarding events and budgets of the California FFA Association.

Moving forward, State Staff and CA FFA Staff are working diligently to organize a successful event in 2019. Soon a notification will go out that provides a tentative schedule and updated hotel list. In November after fall regional meetings the Adult Board of Directors plans to meet to make decisions regarding the Disney California Adventure Experience. They will also plan to set the 2019 State Convention Rate, which will not exceed \$250/person.

Thank you for your time, and understanding during this time of transition. Please be assured that State Staff and CA FFA Staff take these programs extremely serious. Our continued goal is to provide a life changing leadership development program for your students, and deliver that program in a financially sustainable nature.

Sincerely,



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