



National Governing Body of DanceSport, Member Organization of the US Olympic Committee, and the World DanceSport Federation



Response Regarding Proposed Bylaw Amendments Submitted to the Governing Council

INTRODUCTORY STATEMENT

Under USA Dance Bylaw Article XX, Amendments and Conflicts, bylaws can be amended or repealed by 2/3 of votes received from voting members in good standing. On June 28, 2018, the Governing Council invited all USA Dance members to make recommendations for potential bylaw amendments via membersvoice@usadance.org.

Following this invitation several proposed bylaw amendments were submitted to the Governing Council. Below is the language of the proposed bylaw amendments submitted without petition¹, and the Governing Council's initial responses regarding the proposed amendments.

Please submit any questions to membersvoice@usadance.org. Thank you for your continued support.

PROPOSED BYLAW AMENDMENTS SUBMITTED TO THE GOVERNING COUNCIL

ARTICLE III - MEMBERSHIP

Motion: Insert the following language by January 1, 2019, in a new Article III.J:

J. Loss of Membership:

1) Any member who has an outstanding debt to USA Dance of more than \$100 for more than 3 months after notification of the debt shall cease to be a member in good standing and lose all membership privileges until the debt has been satisfied.

Governing Counsel's Response and Concerns:

Members rarely refuse to pay debts to USA Dance, but it does occur on occasion. Loss of good standing and membership privileges while a debt is outstanding more than 3 months is reasonable. Under a separate provision of the bylaws, members may need to receive notice and hearing before their membership privileges are suspended. The 3-month period between notification and suspension, however, should be sufficient time to provide a hearing related to debt.

Recommendation:

¹ Several proposed bylaw amendments were also submitted by an anonymously authored petition. The petition also contained several false and misleading statements in arguments designed to persuade members to sign the petition. The Governing Council published a response regarding the petition's proposed amendments and its arguments on October 17, 2018.



National Governing Body of DanceSport, Member Organization of the US Olympic Committee, and the World DanceSport Federation



For the above reasons, the current administration supports the proposed amendment to suspend membership for unpaid debts.

ARTICLE IV – GOVERNING COUNCIL (GC)

The Governing Council received several proposed amendments related to the structure of the governing council. These are grouped by topic in order of the proposed amendment.

TOPIC: VOTING RIGHTS OF DIRECTORS ON THE GOVERNING COUNCIL

Motion: Revise Article IV.B as follows by January 1, 2019:

B. VOTING DELEGATES: The voting delegates of the GC of USA Dance shall consist of the following:

1. Seven (7) National Officers which consist of 1) President, 2) Senior Vice President (VP), 3) Secretary, 4) Treasurer, 5) VP for DanceSport, 6) VP for Social Dance, 7) VP for Professional Dance.
2. Any appointed Directors, which shall have a vote on matters affecting or impacting their appointed area of service.
3. DanceSport Delegates elected by the DanceSport Athletes of USA Dance. The aggregate voting power of GC members qualified as Elite Championship Athletes shall not be less than 20% of the GC.
4. In addition, the GC is empowered to add voting delegates from qualifying National Sports Organizations.
 - a. National Sports Organizations voting delegates' slots are reserved for and limited to direct representation on the GC for any sports organization which conducts a national program or regular national DanceSport competition on a level of proficiency appropriate for the selection of DanceSport Athletes to represent the United States in international DanceSport competitions.
 - b. The number of National Sports Organizations voting delegates' representation shall reflect the nature, scope, quality, and strength of programs and competitions of such sports organizations in relation to all other such programs and competitions in DanceSport in the United States.

Governing Counsel's Response and Concerns:

Director roles have existed in USA Dance for over twenty years, and during this time all the directors with the exception of the non-voting Director from Virginia have had voting rights. Removing the ability for directors to vote would make attracting and retaining



National Governing Body of DanceSport, Member
Organization of the US Olympic Committee, and the
World DanceSport Federation



individuals to work for USA Dance at a high level extremely difficult. If volunteer directors are only provided limited representation in the decision process, this will likely increase the difficulty in finding qualified individuals willing to make the time and energy commitments necessary to serve on the Governing Council. The difficulty in attracting volunteers (even when they hold full voting positions) has been clearly demonstrated by the lack of response for extended periods of time when announcements are made requesting applicants for open director positions.

Recommendation:

For the above reasons, the current administration does not support the proposed bylaw amendment to limit the voting rights of directors and recommends that the membership vote against it.

TOPIC: NON-VOTING ATTENDEES AT GOVERNING COUNCIL MEETINGS

Motion: Effective January 1, 2019, revise Article IV.C to read as follows:

C. NON-VOTING ATTENDEES: In addition to the attendance of the Voting Delegates, the following may attend and have a voice, under control of the chair, but no vote at all face-to-face and telephonic meetings of the GC:

1. Elected National Past Presidents of USA Dance who within the past 5 years have held a position as President for at least 1 year;
2. Chair persons of National Committees;
3. USA Dance representatives to the WDSF;
4. Guests.

D. OBSERVERS: In addition to the attendance of the Voting Delegates and Non-Voting Attendees, the following members in good standing may attend and have a voice, under control of the chair, at all face-to-face meetings of the GC:

1. One observer per chapter; and
2. One non-voting Director who shall be a resident of the State of Virginia and who shall act as the Corporation's registered agent in accordance with the laws of the State of Virginia.



National Governing Body of DanceSport, Member Organization of the US Olympic Committee, and the World DanceSport Federation



Governing Council's Response and Concerns:

Currently, for face-to-face Governing Council meetings, chapter observers and past USA Dance Presidents may attend and have a voice under the control of the chair. For telephonic meetings, past presidents and other guests may be invited to attend and have a voice under the control of the chair. The proposed bylaw does not change this but gives special recognition for recent past presidents who were elected by the membership and served at least 1 year in office. Unlike the petition motion, this proposed bylaw does not reduce the representation rights of chapters.

The Governing Council recognizes the importance of institutional knowledge, and such knowledge should be recorded in documentation associated with decisions, actions and programs. In addition, where historical information is needed from past presidents or others, that information can and would be requested. The current members of the Governing Council have experience on the USA Dance Governing Council covering each of the past twenty-one years. As such the administration already has perspectives from past Governing Council members to draw upon. Given the best practices of good corporate governance along, with access to historical USA Dance governance experience, this proposed bylaw would not significantly change the functioning of USA Dance but gives special recognition to recent elected past presidents that is unnecessary.

Recommendation:

For the above reasons the current administration does not support this Bylaw amendment and recommends that the membership vote against it.

TOPIC: TERMS FOR DIRECTORS ON THE GOVERNING COUNCIL

Motion: Revise Article IV.E.3 to read as follows:

3. DIRECTORS APPOINTED BY THE PRESIDENT: The positions of Directors on the Governing Council shall be appointed to two-year terms consistent with the two-year election cycle. Appointment shall be by the President and shall be subject to ratification of all members of the Governing Council holding an elected position (the National Officers and DanceSport Delegates).



National Governing Body of DanceSport, Member
Organization of the US Olympic Committee, and the
World DanceSport Federation



Governing Council's Response and Concerns:

Currently, all director positions must be appointed and ratified by the Governing Council at the beginning of the calendar year and expire at the end of each calendar year. This means that the Governing Council members holding elected positions must vote to renew the position of each director on an annual basis.

The proposed bylaw would change this from an annual review and renewal to a two-year review and renewal. In the Governing Council's view this is too long. Regular reviews and renewal of terms for directors are important to the functioning of the Governing Council. Historically, a significant percentage of people who volunteer for director positions come onto the Governing Council with the best of intentions but are unprepared for the work needed to run the organization. This has unfortunately resulted in projects that have not been completed or started due to the appointment of individuals with inadequate experience or who find themselves overwhelmed by the work. As in all volunteer organizations few members volunteer and a significant percentage of those that do, do not perform to the minimum level needed. It is unfortunate, but USA Dance has been exposed to such inaction over many years and is operating under its consequences. When a director volunteer is not effective, there should be an ability to let the person go without removing "for cause." Although the Bylaws allow for the "for cause" removal of individuals during the calendar year, such radical action is rarely attempted, supported or successful because a two-thirds vote is needed to remove a director.

If USA Dance is to be run as a business the leadership team needs to run it accordingly. Annual performance reviews of directors are a step in this direction. Based on such annual reviews the President will present the case for retaining or replacing each director. It is then up to the Governing Council to make a decision based on a majority vote.

Recommendation:

For the above reasons the current administration does not support this Bylaw amendment and recommends that the membership vote against it.



National Governing Body of DanceSport, Member Organization of the US Olympic Committee, and the World DanceSport Federation



TOPIC: CONFIDENTIALITY FOR GOVERNING COUNCIL MEMBERS

The Governing Council received two proposed bylaw amendments regarding confidentiality.

Motion A: Insert the following language by January 1, 2019, in a new Article IV.E and renumber the following articles:

As a requirement of service on the Governing Council as either an elected or an appointed Officer/Director, a person must agree to hold in confidence information they may acquire through their position including:

- a) personal private information of members;
- b) ongoing investigations of alleged misconduct by a member;
- c) information received pursuant to a confidentiality agreement with another person or party;
- d) sensitive business information;
- e) information required by law to be kept confidential.

A standard USA Dance confidentiality agreement detailing these obligations shall be posted on USA Dance's website, and may be periodically updated by the Governing Council. The requirements to maintain confidentiality shall apply to all National Committees that are reasonably determined to handle confidential and sensitive information. Discussions in open sessions of meetings of the GC, DSC, PDC, and SDC are not considered confidential.

Motion B: Insert the following language by January 1, 2019, in a new Article IV.E and renumber the following articles:

The following categories of information shall be kept confidential and only provided to USA Dance members, employees, contractors, and agents who sign a non-disclosure agreement, except where disclosure is otherwise required by law:

- (1) USA Dance and Chapter financial information;
- (2) Private information of USA Dance members;
- (3) Complaints related to alleged Safe Sport violations involving minors who request anonymity.

An appropriate non-disclosure agreement shall be provided to all chapters, and shall be reviewed on at least an annual basis and updated where necessary.



National Governing Body of DanceSport, Member Organization of the US Olympic Committee, and the World DanceSport Federation



Governing Counsel's Response and Concerns:

Currently, confidentiality obligations are imposed on chapter officers through the Section 8.1 of the Code of Ethics, and on the Governing Council and national committee members through both the Code of Ethics and a Confidentiality Agreement. These proposed bylaws would elevate the issue of confidentiality from policy documents that are relatively easily modified, to the bylaws which are significantly less easy to revise.

Flexibility to address changes in what is or should be considered confidential is extremely important. What is deemed confidential can and does change over time. For example, the recent passage of Federal Law regarding Safe Sport requires certain actions be performed by USA Dance as well as the confidentiality of certain materials. In contrast to increased confidentiality obligations under USOC Safe Sport guidelines, several states are also considering whether to limit the confidentiality of certain conduct and materials.

Motion A recognizes the importance of confidentiality agreements but is too broad. The proposed bylaw states "a person must agree to hold in confidence information they may acquire through their position..." This arguably could apply to all information learned not just confidential information. If Motion A were to pass, the language of the proposed bylaw should be amended to require persons to only hold confidential information in confidence.

Motion B provides a limited list of information deemed confidential. This list is extremely vague, for example, what constitutes private information of members? Are all complaints considered confidential or only SafeSport complaints brought by minors requesting confidentiality? What precisely constitutes financial information? Can financial information be provided to a bank or advisor without a written confidentiality agreement? Can materials outside of the list be deemed confidential? If not, then the list is woefully incomplete. It does not address technology decisions or processes, business processes, or numerous other items. A recent example of sensitive negotiations demonstrates why this list is incomplete and a list-based bylaw could cause organizational problems. Recently our information technology provider informed USA Dance that they would be moving to another platform and that it would cost USA Dance another \$15,000 (on top of current payments) to finance this move. The Governing Council researched and discussed alternative solutions, as well as other potential providers for months after receiving this notification. On August 1, 2018, the information technology provider, gave USA Dance notice that it would be erasing our data on September 15, 2018. Because the Governing Council had been looking into other potential providers, we were able to respond with a notification on August 9, 2018 that USA Dance would be terminating all services with the provider and request an orderly transition of data and services before the September 15th termination date. Despite this notice, on August 17th the provider turned off all the chapter and national websites. Fortunately, we because we had been putting contracts in place with another



National Governing Body of DanceSport, Member Organization of the US Olympic Committee, and the World DanceSport Federation



information technology provider, and because we had researched and collected data for our web sites while seeking competitive bids from other providers, we were able to recover from the shut down within a couple of weeks. Now imagine what would have happened if the provider had been made aware of our decision to seek competitive bids, and had shut down the services months ago, early in the process. USA Dance and all the Chapters would have been out of operation for months. This compelling need for business propriety is not recognized or contained within the petition's motion.

Recommendation:

For the above reasons the current administration does not support either Bylaw amendment and recommends that the membership vote against both of them.

ARTICLE VI – DUTIES OF OFFICERS AND DIRECTORS

The Governing Council received two proposed bylaws related to publication of the business plan and budget by USA Dance's President.

Motion A: Revise Article VI.A as follows, effective January 1, 2019:

A. PRESIDENT: The President shall be the Chief Executive Officer of USA Dance and preside at all membership meetings of USA Dance and all meetings of the GC and EC. The President is responsible for executing the USA Dance Business Plan and Budget approved by the GC by the end of the first quarter of each Calendar year. The President is further responsible for publication of a public version of the USA Dance Business Plan and Budget from which confidential and sensitive information has been redacted on USA Dance's website for access and review by USA Dance members by the end of the second quarter of each Calendar year. The President shall provide the guidance needed to ensure that the goals of USA Dance are achieved. The President, or his/her or her designate, shall represent USA Dance at meetings with other organizations or groups. Except for the Nominations Committee, the President shall be an ex-officio member of all USA Dance committees.

Motion B: Revise Article VI.A as follows, effective January 1, 2019:

A. PRESIDENT: The President shall be the Chief Executive Officer of USA Dance and preside at all membership meetings of USA Dance and all meetings of the GC and EC. The President is responsible for executing the USA Dance Business Plan and Budget approved by the GC. The President, or his or her designate, shall provide a copy of the business plan and budget to any member who agrees in writing to keep the contents of the plan confidential. The President shall provide the guidance needed to ensure that the goals of USA Dance are achieved. The President, or his or her designate, shall represent USA Dance at meetings with other organizations or groups. Except for the



National Governing Body of DanceSport, Member
Organization of the US Olympic Committee, and the
World DanceSport Federation



Nominations Committee, the President shall be an ex-officio member of all USA Dance committees.

Governing Council's Response and Concerns:

Business plans and annual budgets are considered sensitive business information by all corporations and are typically not released in any detail because they could be used advantageously by vendors in negotiations, by competitors in assessing our business development tactics and strategies, and by potential business partners in the structuring relationships, among others. Historically, USA Dance has not published its business plan/budget² to protect the organization. However, USA Dance's expenditures are available to all members, and the current administration has been more open to member review and audits than prior administrations.

Motion A recognizes the importance of not publicly disclosing a detailed business plan/budget, and provides an opportunity for newly elected officers to review and have a say in the upcoming business plan/budget. However, even a non-detailed business plan/budget can provide tactical advantages to competitors, vendors and others seeking to negotiate relationships with USA Dance.

Motion B provides for disclosure the business plan/budget to members who have signed an appropriate non-disclosure agreement. This addresses some of the concerns regarding sensitivity of business plans and budgets, but is too vague regarding what is an appropriate non-disclosure agreement.

Recommendation:

For the above reasons the current administration does not support either Bylaw amendment and recommends that the membership vote against both.

² In December of 2016, the exiting Executive Committee published what it referred to as the 2017 budget in its minutes, but a cursory review of those minutes shows the alleged "budget" is internally inconsistent and incomplete.



National Governing Body of DanceSport, Member
Organization of the US Olympic Committee, and the
World DanceSport Federation



ARTICLE XX – AMENDMENTS AND CONFLICTS

The Governing Council received two proposed bylaw amendments regarding the process to amend the bylaws.

MOTION A: Effective January 1, 2019, Article XX.B shall be revised as follows:

A. AMENDMENTS: These Bylaws may be amended or repealed by two-thirds (2/3) of votes received from voting members in good standing by mail, electronic, or telephonic ballot.

1. Amendments may be proposed by the GC on its own initiative or upon petition by any one hundred (100) voting members in good standing. All such amendments shall be presented by the GC to the membership with or without recommendation.
2. The ballot to amend these Bylaws shall be at a time determined by the GC, but in no event less than once each calendar year if amendments have been proposed.
3. A vote by 400 or more of USA Dance's voting members in good standing shall constitute a quorum.

B. BYLAWS REVISED BY GOVERNING COUNCIL: As an alternative to Article XX.A., the GC at its discretion, may amend or repeal these bylaws by two-thirds (2/3) vote of the filled positions of the GC members not recusing themselves from the vote.

MOTION B: Effective January 1, 2019, Article XX.B shall be revised to read:

A. AMENDMENTS: These Bylaws may be amended or repealed by two-thirds (2/3) of votes received from voting members in good standing by mail, electronic, or telephonic ballot.

1. Amendments may be proposed by the GC on its own initiative or upon petition by any one hundred (100) voting members in good standing. All such amendments shall be presented by the GC to the membership with or without recommendation.
2. The ballot to amend these Bylaws shall be at a time determined by the GC, but in no event less than once each calendar year if amendments have been proposed.
3. A vote by 400 or more of USA Dance's voting members in good standing shall constitute a quorum.



National Governing Body of DanceSport, Member
Organization of the US Olympic Committee, and the
World DanceSport Federation



B. BYLAWS REVISED BY GOVERNING COUNCIL: As an alternative to Article XX.A., the GC at its discretion, may amend or repeal these bylaws by eight-tenths (8/10) vote of the filled positions of the GC members not recusing themselves from the vote.

Governing Council's Response and Concerns:

Under the current bylaws, amendments by the Governing Council require a vote of 75% or greater. Consequently, only changes that are strongly supported are implemented.

Motion A would reduce the number of votes on the Governing Council to amend bylaws from 75% to 66% of greater. The Governing Council does not feel that easing the ability to make bylaw changes to a vote of less than 75% is necessary.

Motion B would increase the number of votes on the Governing Council to amend bylaws from 75% to 80% of greater. The Governing Council does not feel that restricting the ability to make bylaw amendments to a vote of 80% or greater is necessary.

Recommendation:

For the above reasons the current administration does not support either Bylaw amendment and recommends that the membership vote against both.