

Minutes

Board of Directors Meeting

Association of Small Business Development Centers (ASBDC)

December 16, 2003

By Conference Call

Board Members Participating: Scott Daugherty (Chairman); Don Wilson (President); Liz Klimback (Vice Chair); Henry Turner (Secretary); Jim Hogge (Treasurer); Mark Petrilli; Grady Pennington.

Others Participating: Don Kelpinski; Albert Laabs; Carol Lopucki; Dan O'Grady.

Call to Order: The meeting (by conference call) of the Board of Directors was called to order by Chairman Scott Daugherty at 1:05 p.m. (Eastern Time) on Tuesday, December 16, 2003.

Opening Comments:

Assistance to Small Manufacturers: The Board discussed SBDC assistance to small manufacturing businesses, and the creation of an ASBDC Manufacturing Task Force. The ASBDC will gather information about SBDC networks that have specialty programs in manufacturing, and about state and regional organizations that might provide assistance to manufacturers in the event that a local Manufacturing Extension Partnership (MEP) program could not provide assistance. The Board noted that the FY 2004 omnibus appropriations bill that is being considered by Congress calls for cutting the Federal MEP appropriation from \$106.6 million to less than \$40 million.

Approval of Minutes of November 25: Liz Klimback moved that the minutes of the meeting of the Board of Directors of November 25, 2003, be approved. Mark Petrilli seconded the motion and the motion passed by voice vote. The minutes of the November 25 meeting will be made available on the ASBDC state directors' website.

Treasurer's Report: Treasurer Jim Hogge reported that there has been no significant change in the financial position of the Association since last month's meeting, at which the Treasurer reported that the Association is expected to end the year within budget. The Board discussed the need for the Association to address the dues surcharge during the ASBDC Spring Meeting in Washington. The surcharge is scheduled to sunset on December 31, 2003. The Board agreed to consider the issue during its meeting in Fort Worth on January 7, and develop a proposal for the membership.

President's Update:

- A. Federal Appropriation for the SBDC Program: Don Wilson reported that the Senate is expected to consider the FY 2004 omnibus appropriations bill (which includes funding for the SBDC program and all of the unfinished FY 2004 appropriations bills) when the Senate reconvenes on January 20. However, it is unclear at this time whether the bill has

enough support in the Senate to overcome an expected filibuster. The House passed the FY 2004 omnibus appropriations bill earlier this month. Until Congress passes the FY 2004 omnibus appropriations bill, the SBDC program will continue to be funded at FY 2003 levels under the terms of the short-term Continuing Resolution lasting through January 31, 2004.

The FY 2004 omnibus appropriations bill would provide \$89 million in Federal funding for the SBDC program in FY 2004. However, the FY 2004 omnibus appropriations bill also contains an across-the-board cut for federal programs of 0.59%. That represents \$525,100 for the SBDC program. Even with the across-the-board cut, the SBDC program would receive a very small increase for FY 2004. Unfortunately, Senator Hollings of South Carolina earmarked \$500,000 of the SBDC national program funding for the South Carolina Women's Business Center. SBDC supporters in Congress have recommended that the ASBDC not seek to reverse the South Carolina Women's Business Center earmark.

- B. SBA Reauthorization bill: Don Wilson reported that Congress has not passed the SBA Reauthorization bill. However, Congress passed a short-term reauthorization of SBA programs lasting until March 15, 2004, by which time Congress expects to complete the SBA Reauthorization bill.
- C. SBA Economic Impact Survey: Don Wilson reported that Vice Chair Liz Klimback and he attended a meeting at the SBA to discuss the SBA Economic Impact Survey. The survey is expected to be sent out by the third or fourth week of January. It will be sent to nearly 10,000 individuals, selected randomly.

Professor Jim Chrisman has said he is comfortable with the SBA survey, which incorporates suggestions made by the ASBDC. The recipients of the survey were selected according the terms of a confidentiality agreement between the SBA and the ASBDC. Duplication between the SBA survey and the Chrisman Study survey was minimized by selecting names for the SBA survey that were not included in previous Chrisman Study surveys. Only 200 to 300 individuals will receive both the SBA survey and next year's Chrisman Study survey. In addition, SBA will conduct a follow-up survey in January, 2005, which will allow for the measurement of impact from SBDC counseling and training.

The Board discussed whether the Association should consider any new methods of measuring economic impact.

- D. IBM Analysis of SBA Entrepreneurial Development Programs: Don Wilson reported that Vice Chair Liz Klimback and he met with representatives of IBM, who are reviewing SBA's Entrepreneurial Development programs at SBA's request. IBM is expected to recommend ways to increase the effectiveness of the programs. The IBM representatives appeared very positively disposed towards the SBDC program.

- E. Meeting with the International Franchise Association: Don Wilson reported that Clinton Tymes (Delaware), Brenda Hopper (New Jersey), Al Salgado (Texas-Dallas) and he met with representatives of the International Franchising Association (IFA). The IFA is interested in working with the ASBDC to reach out to members of minority groups to inform them about franchising opportunities.
- F. New Law on Veterans Entrepreneurship Training: Don Wilson reported that President Bush was on this day signing a new veterans' benefits law, which includes a provision to allow veterans, dependent spouses and children of disabled or deceased veterans, and members of the Guard and Reserve, to use VA education benefits to enroll in non-degree business courses offered by SBDCs. This provision of the new law was a joint effort by the ASBDC and the Task Force for Veterans' Entrepreneurship (a task force of veterans' and small business organizations).

Don Wilson proposed that the ASBDC establish a task force to maximize the benefits to veterans of the new veterans' entrepreneurship training law, by developing an MOU with the Task Force for Veterans' Entrepreneurship, the SBA, the Veterans Business Development Corporation, the Veterans Administration, and the ASBDC's corporate partners. The MOU would call for training or having enrolled in training at SBDCs a specific number of veterans by Veterans Day (November 11), 2004. The MOU would be signed at an event on Capitol Hill, to which Members of Congress and the media would be invited. Don Wilson proposed that the ASBDC task force include state and regional directors from states that have Members of Congress on the Small Business, Veterans and Appropriations committees, including Doug Gurley as chair (to involve the author of the Montgomery GI Bill, former House Veterans Affairs Committee chairman Sonny Montgomery of Mississippi, and Senator Cochran), Jim Hogge, and others.

A motion to support the concept of the task force as proposed by Don Wilson was offered by Board Secretary Henry Turner and seconded by Vice Chair Liz Klimback. The motion passed by voice vote.

Chairman's Update:

- A. Action Items on Key Objectives: Chairman Scott Daugherty asked Board members to complete work on developing action items in their respective Key Objective areas within a week of the Board's meeting.
- B. National Branding Task Force: Chairman Scott Daugherty announced that Christian Conroy, Associate State Director of the Pennsylvania SBDC, has agreed to chair the National Branding Task Force.
- C. Best Practices: Chairman Scott Daugherty announced that the weekly member newsletter (the *Member Connection*) in January will include Best Practices from the North Carolina SBDC. In addition, prizes will be offered to state and regional SBDCs that submit Best practices for the *Member Connection*. A cumulative list of best practices will be posted on the ASBDC website, and the list will be searchable by subject area.

New Business:

SBA's Weekly E.D. Update for the White House: Don Wilson reported that Bridget Bean at the SBA informed him that the SBA sends a weekly update to the White House about the SBA's Entrepreneurial Development programs. Bridget Bean asked ASBDC to submit information for inclusion in the SBA's weekly E.D. update for the White House. The Board agreed to ask the ASBDC's Assistant Directors network to develop information for inclusion in the SBA's weekly E.D. update.

Old Business:

Planning for ASBDC Spring Meeting in Washington: Don Wilson reported that the ASBDC is currently considering hotels for the ASBDC Spring Meeting in Washington, which is expected to be held at the end of February or the beginning of March.

Adjournment: Jim Hogge moved that the Board meeting be adjourned. Board Secretary Henry Turner seconded the motion and the motion passed by voice vote. The Board meeting was adjourned at 2:10 p.m.

Next meetings: The next meeting of the Board of Directors will be an all-day meeting in Fort Worth, Texas, on Wednesday, January 7, 2004. (A meeting of the ASBDC Accreditation Committee will also be held in Fort Worth, on January 8 and 9.)

Regular meetings of the Board are held by conference call on the 4th Tuesday of every month at 1 p.m. (Eastern Time). A face-to-face meeting of the Board is likely in June. Face-to-face meetings of the Board will also be held in conjunction with the ASBDC spring membership meeting and the ASBDC fall membership meeting.

Submitted by Henry Turner, Secretary, ASBDC