

Minutes
Board of Directors Meeting
Association of Small Business Development Centers (ASBDC)
October 25 & 26, 2007
Alexandria, Virginia

Board Members Participating: Jody Keenan (Chair); Don Wilson (President); Georgianna Parkin (Vice Chair); Jerry Cartwright (Secretary); Mike Myhre (Treasurer); Bill Carter; Becky Naugle; Al Salgado; Debbie Trujillo; Mary Lynn Wilkerson; Rich Werner.

Others Participating: Diane Wolverton; Mike Young; Donna Ettenson; Dan O'Grady.

Call to Order: The meeting was called to order by Chair Keenan at 8:00 a.m., on Thursday, October 25, 2007.

Approval of Minutes: The Board reviewed the draft minutes of the Board meetings held on September 15, 2007 and September 19, 2007.

It was suggested that references to the "SBDC Economic Impact Report" by Professor James Chrisman, in the draft minutes of the Board meeting held on September 15, 2007, be amended to refer to the "ASBDC Economic Impact Report" by Professor James Chrisman.

Becky Naugle moved that the minutes of the Board meeting held on September 15, 2007, as amended above, be approved. The motion was seconded by Mary Lynn Wilkerson and passed by voice vote.

Becky Naugle moved that the minutes of the Board meeting held on September 19, 2007, be approved. The motion was seconded by Mary Lynn Wilkerson and passed by voice vote.

Treasurer's Report: Treasurer Mike Myhre reviewed the September financial statements. He reported that the financial condition of the Association is sound.

Remarks by the Chair: Chair Keenan noted that the new Board term had gotten off to a quick start. Immediately after the Association's Annual Conference in Denver, the Association faced goaling issues with SBA, and the Association was invited to testify before the House Small Business Committee concerning legislation to re-authorize funding for the national SBDC program. Chair Keenan noted that the Association recommended that the national SBDC program's authorized funding level be increased to \$140 million for FY 2008 and \$145 million for FY 2009. Chair Keenan thanked Board members for their feedback on the Association's priorities. She stated that she would like the Board to focus on a manageable number of priorities, and develop a clear and consistent message for the membership and the network's stakeholders.

Chair Keenan asked Debbie Trujillo about the impact of the fires in Southern California and how the nationwide network could help the Southern California SBDC networks. Debbie Trujillo

described the situation in Southern California and asked that SBDC networks around the nation let her know if they have disaster resources they are able to share. Chair Keenan noted that Jerry Cartwright and Mary Lynn Wilkerson are leading the Association's Disaster Recovery Interest Section, and she urged Debbie Trujillo to coordinate with them. Jerry Cartwright stated that SBDC networks that have faced past disasters have resources they could share with the Southern California SBDCs, and he stated that the Association should coordinate its efforts with the SBA. Don Wilson stated that he had urged Anoop Prakash, head of Entrepreneurial Development Programs at SBA, to include funding for SBDCs in any disaster supplemental funding request to Congress.

Departure of Bill Carter: Bill Carter stated that he will leave his position as State Director of the Oregon SBDC on January 15, 2008. Christine Krygier will serve as Interim State Director until a new state director is named. Board members expressed their regret at Bill Carter's departure and thanked him for his service to the nationwide network on the Association's Board of Directors. Board members discussed the need for the Association to play a role in leadership transitions throughout the nationwide network, including assistance to host institutions and mentoring for new directors, to ensure high performance among all SBDCs.

President's Report:

Financials – Don Wilson stated that the Association will end the year within budget, and he expects net income to be above budget. However, he urged the Board not to budget for the coming year at levels above the previous year's income. He stated that the Association relies greatly on income from the Annual Conference trade show and sponsorships, and there is a limit to how much those income sources can grow. He noted the need to look for alternative sources of income. He also stated that the auditors would like the Board to make a definitive statement about the desired level of funding in the restricted reserves.

Staffing – Don Wilson noted that the Association has hired Lisa Kim to replace Ann Maltese, who retired this year. He also stated that the Association is actively seeking a person to fill the vacancy in the legislative staff, but he noted that it has been difficult to find a person who has Capitol Hill experience.

ASBDC Economic Impact Survey by Professor Chrisman – Don Wilson noted that the SBA would like the Association to consider changes in the annual ASBDC Economic Impact Survey by Professor Chrisman. However, he stated that it is unrealistic at this late date to significantly modify the survey for 2008. He stated that the Association should reach agreement with SBA on the changes that the agency wants in the survey, before making significant modifications.

Challenges in State Networks – Don Wilson stated that the nationwide network is facing challenges in some states, which the Association will need to address. He noted a proposal in one state to take indirect cost out of program income, and proposal in another state to prohibit the SBDC from using its own logo.

SBA Personnel Changes – Don Wilson described personnel changes at the SBA, including the temporary assignment of Antonio Doss to the agency’s District of Columbia district office, and the temporary replacement of Antonio Doss by Wilma Goldstein in the SBA Office of SBDCs.

Extended Engagement Client Statistics – Don Wilson stated that the SBA and the Association are trying to determine the cause of differences between the statistics concerning Extended Engagement Clients that are reported by the some SBDC networks and the data that are maintained by SBA.

Business Loan Express and SBA Community Loan Express Programs – Don Wilson stated that an Inspector General’s report had found significant problems in the SBA’s Business Loan Express Program, particularly with a Business Loan Express office in Michigan.

Legislative Update: Don Wilson stated that none of the 12 FY 2008 appropriations bills had been enacted into law. He stated that the Continuing Appropriations Resolution (CR) that is funding the Federal Government in the absence of regular FY 2008 appropriations bills will expire on November 16, and another CR is expected to be enacted to continue temporarily funding Federal agencies and programs.

Don Wilson stated that the House Small Business Committee passed a bill to reauthorize funding for the SBDC network at \$140 million in FY 2008 and \$145 million in FY 2009, and the full House of Representatives passed a bill to reauthorize the SBA’s Entrepreneurial Development Programs, including the SBDC network. The Senate Small Business Committee has passed a bill to reauthorize the SBA’s Entrepreneurial Development Programs, but the full Senate has not yet considered the bill. As a result, the status of new SBDC competitive grant programs created by the Reauthorization bills, and how those programs may affect core funding for the nationwide SBDC network, have yet to be determined.

A question was asked about the status of DETA grant funding under the Continuing Appropriations Resolution. Don Wilson stated that he would ask SBA staff about the status of DETA grants.

Accreditation Committee Update:

Nomination of Lora Brown – Mike Young asked the Board to approve the appointment of Lora Brown (Assistant State Director of the Maryland SBDC) to serve a three-year term on the Accreditation Committee, beginning January 1, 2008.

Motion: Bill Carter moved that the Board approve the appointment of Lora Brown to serve a three-year term on the Accreditation Committee, beginning January 1, 2008. The motion was seconded by Jerry Cartwright and approved by voice vote.

Accreditation Training for Network Members in Denver – Mike Young stated that the Accreditation Committee’s training for network members, held during the Association’s Annual Conference in Denver, was very successful. The training was led by Max Summers and Mike Myhre and attracted 200 participants.

Planning for Accreditation Committee Meeting in January – Mike Young asked the Board to approve a two-day training session (with an additional half-day business meeting) for the Accreditation Committee in January. He stated that the Committee’s preference would be for full-day training sessions on a Monday and a Tuesday, with a half-day business meeting on a Wednesday, to be followed by the Board’s January meeting.

Scheduling the Spring Meeting: Mike Young suggested that the Board consider making changes to the Association’s Spring Meeting. He suggested that the Spring Meeting be scheduled a year or more in advance, in order to obtain better hotel rates. He suggested surveying the membership to determine whether hotel price or location is more important. He suggested that the Board develop the Association’s legislative strategy by the end of January, and that the Spring Meeting have a greater focus on legislation.

Chair Keenan stated that the question of scheduling the Spring Meeting further in advance would be included in the agenda for the January Board meeting. She also stated that the Association’s legislative strategy would be included in the agenda of the January Board meeting and in the agenda of the Spring Meeting.

SBA Goaling: It was stated that there appears to be no logic to the SBA’s goaling figures, since state SBDC networks with equal funding have been given very different goaling numbers. It was suggested that the Association, perhaps through the Operations Committee, gather data on goaling numbers and state network funding levels, so that the issue can be addressed with SBA.

Review of Mission and Vision Statements: The Board discussed possible changes to the Association’s Mission and Vision statements.

Motion: Jerry Cartwright moved that the Association’s Mission Statement be amended as follows, and that the amended Mission Statement be presented to the membership for its approval: “**Mission Statement:** To build the capacity of America’s Small Business Development Center Network to serve small businesses and aspiring entrepreneurs.” The motion was seconded by Al Salgado and passed by voice vote.

Motion: Jerry Cartwright moved that the Association’s Vision Statement be amended as follows, and that the amended Vision Statement be presented to the membership for its approval: “**Vision Statement:** To see the national network of Small Business Development Centers recognized as the preeminent provider of small business counseling, education and information.” The motion was seconded by Mary Lynn Wilkerson and passed by voice vote.

Priorities, Initiatives and Action Items: The Board discussed the Association's priorities, initiatives and action items for the coming year, as follows.

1. Acquire, diversify and expand funding resources

Objective: To explore, identify and obtain additional funding to diversify and expand the SBDC national network portfolio.

A. Seek and obtain \$110 million in core funding (SBA Federal appropriations); continuous, sustainable funding

i. Short Term: Implement template for stakeholder outreach

a. Mentoring for legislative/stakeholder outreach

b. Legislative advisory committee (members with key legislators in Congress); listening post for member input

c. Board task force to document, define and map process

B. Identify funding from other Federal agencies; growth, continuous funding

i. Short Term: Research opportunities, research Federal programs, determine the fit into the Association's legislative strategy

ii. Short Term: Al Salgado will share his network's internal review of funding sources; results will be posted on the SBDCNet website for use by the national network.

iii. Long Term: Position SBDC national network to be eligible/preferred provider of entrepreneurship assistance and education

C. Identify other funding opportunities; special initiative funding

i. Short Term: Research opportunities, research Federal programs, determine the fit into the Association's legislative strategy

ii. Short Term: Al Salgado will share his network's internal review of funding sources; results will be posted on the SBDCNet website for use by the national network.

iii. Long Term: Position SBDC national network to be eligible/preferred provider of entrepreneurship assistance and education

2. Grow a unified network, committed to high performance

- A. Strengthen leadership system [task to Leadership Development Committee]
 - i. Transition process for hosts hiring new state directors
 - ii. New state director training [task to New State Director Training Subcommittee]
 - iii. ASBDC mentoring (legislation and advocacy; program accreditation)
 - iv. Succession planning for ASBDC president [task to Personnel Committee]
 - v. SBA/ASBDC new state director mentoring
 - vi. Veteran state director leadership training

- B. Professional development that meets the needs of all staff

- C. ASBDC Annual Fall Conference
 - i. Analyze cost/benefit [task for Treasurer and ASBDC staff]
 - ii. Perform needs assessment
 - iii. Perform post-conference survey of conference attendees [ongoing task by the Conference Planning Subcommittee]
 - iv. Incorporate topics in the Conference and seminar programs that meet Board priorities [task to Board]

- D. Counselor Certification
 - i. Technology counselor certification (Board will consider a proposal at its January meeting, and present a proposal to the membership at the Spring Meeting)
 - ii. General counselor certification (develop work plan/recommendations for the Spring Meeting)

- E. Develop a systemic process for collecting of state/national impact data
 - i. Address SBA input into the ASBDC Economic Impact Survey by Professor Chrisman
 - ii. Definitions/Federal Investment
 - iii. One impact survey for SBA and ASBDC (seek commitment from SBA to use one survey)

- F. Continuous improvement - accreditation
 - i. State of the network (December, 2008)

- ii. Best practices will be sent by the Accreditation Committee to the Associate State Directors Working Group for posting on the SBDCNet website (beginning in 2008, for a report in January, 2009)
3. Develop awareness of the national network through a common message
- Objective: To facilitate, through a unified voice, an awareness of the ASBDC vision and accomplishments
- A. Make successes of the national network broadly known
 - i. The Marketing Committee will develop a 2008 Marketing Plan to present to the Board at its January meeting, with recommendations.
 - B. Apply usage of the national brand
 - i. The Marketing Committee will develop a 2008 Marketing Plan to present to the Board at its January meeting, with recommendations.
 - C. Develop and deliver a unified message
 - i. The Marketing Committee will develop a 2008 Marketing Plan to present to the Board at its January meeting, with recommendations.

Resolution Concerning the Conduct of Association Members in Matters Affecting the Nationwide SBDC Network: The Board discussed a resolution that was offered by Clinton Tymes at the 2007 Fall Business Meeting in Denver, Colorado. The resolution was sent to the Board of Directors for further consideration, under a motion passed by a voice vote of the membership on September 16, 2007. The resolution is as follows:

“Be it resolved that: In activities that can significantly impact the SBDC network, SBDC state and regional directors should do their best to --

“1. Acknowledge that they are a part of a nationwide network, whose purpose is to support the collective membership in efforts to strengthen and grow the national program that assists the nation’s businesses;

“2. Conduct themselves in a manner that is consistent with the well-being of the Association; and,

“3. Work in good faith and in open communication with the Association’s elected leaders, committee chairs and Association staff on all matters of importance, including

legislative and policy issues, association management and finance.”

It was stated that the intent of the resolution is to provide guidelines for the conduct of individual members of the Association in matters that affect the nationwide SBDC network. The Board discussed actions that led to the introduction of the resolution, going back a number of years, and whether there is a need for a code of ethics or a statement of principles to guide member conduct. It was stated that some members of the Association have pursued individual agendas and failed to inform the leadership of the Association concerning actions that impact the nationwide SBDC network. It was stated that some members of the Association felt frustrated that the Board did not sufficiently articulate the Association’s positions. It was also stated that the Board should include all members of the Association in the development of the Association’s policies.

Motion: Mike Myhre moved that, in the spirit of the resolution presented to the membership by Clinton Tymes at the Business Meeting of September 16, 2007, the Board should develop and incorporate operating principles and values as a component of the organization’s strategic plan, and request the membership to support the strategic plan as a whole. The motion was seconded by Becky Naugle.

The Board discussed the motion. It was stated that the Board should do more than make a statement concerning the resolution that was sent to it by the membership, and should develop a means to act on the intent of the resolution. It was also stated that the Board should involve additional Association members in the further consideration of the resolution.

Motion Withdrawn: The motion offered by Mike Myhre was withdrawn.

It was suggested that the Board appoint a group of the membership (including two Board members) to define operating principles and values. It was also stated that the Board should appoint a Legislative Policy Advisory Committee as a means to address some of the concerns raised by the resolution.

Motion: Bill Carter moved that, in response to the resolution that was offered by Clinton Tymes and referred to the Board by the membership at the Business Meeting of September 16, 2007, and in response to related concerns expressed by members of the Association, the Board take the following actions: (1) The Board Chair shall nominate a group to propose operating principles and values for the Association’s members; (2) the Board shall appoint said group by January and said group shall report back to the Board before the Spring Meeting; and (3) the Board Chair shall communicate the Board’s action to the membership. The resolution was seconded by Mike Myhre and passed by voice vote.

Review of Committees, Taskforces and Interest Sections: The Board reviewed the list of the Association’s committees, taskforces and interest sections. Chair Keenan stated that she would recommend Association members to chair the committees, taskforces and interest sections for the Board’s consideration at its next meeting.

Creating a Voting Position for the Representative of the Associate State Directors Working Group: Mary Lynn Wilkerson suggested that the Board consider creating a voting position on the Board for the representative of the Associate State Directors' Working Group.

Next Meetings of the Board:

- The Board will next meet by conference call on Tuesday, November 27, at 3:00 p.m. (Eastern Standard Time).

The Board decided to hold its regular meetings by conference call on the fourth Tuesday of each month, at 3:00 p.m. (Eastern Standard Time), with the following exceptions:

- The Board will meet by conference call on December 18, at 3:00 p.m. (Eastern Standard Time).
- The Board will meet in San Antonio from Wednesday evening to Friday, January 9-11. The meeting will begin in the evening on Wednesday, January 9, and Board members are encouraged to travel to San Antonio in the morning on Wednesday, January 9.
- The Board will meet on in the Washington, DC area on Sunday, March 2, preceding the Association's annual Spring Meeting.
- The Board will meet in June, possibly in the Washington, DC area.

Adjournment: Mary Lynn Wilkerson moved that the meeting adjourn. The motion was seconded by Al Salgado and passed by voice vote. The meeting adjourned at 12:40 p.m. on Friday, October 26, 2007.