

Minutes

Board of Directors Meeting

Association of Small Business Development Centers (ASBDC)
June 8-10, 2008
Washington, DC

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

ASBDC Members and Staff Participating: Mike Young; Donna Ettenson; Dan O'Grady.

Call to Order: The meeting was called to order by Chair Keenan at 1:00 p.m. on Sunday, June 8, 2008.

Executive Session:

Motion: Jody Keenan moved that the Board enter Executive Session for the purpose of discussing personnel matters. The motion was seconded by Jerry Cartwright and passed by voice vote.

Motion: Jerry Cartwright moved that the Board exit Executive Session. The motion was seconded by Bill Carter and passed by voice vote.

Recess: The Board recessed at 4:35 p.m., on Sunday, June 8.

Reconvene: The Board reconvened at 8:00 a.m. on Monday, June 9.

Approval of Minutes: Jerry Cartwright moved that the minutes of the Board meeting held by conference call on May 27, 2008, be approved. The motion was seconded by Al Salgado and passed by voice vote.

Election Committee Update: Mary Lynn Wilkerson (Chair of the ASBDC Election Committee) updated the Board on preparations for the election of new members of the Board of Directors, to be held during the ASBDC Annual Conference in Chicago in September. She stated that there are eleven nominees for election to four Board seats. The nominees are Allan Adams; Bob Bernier; Christian Conroy; Ann Desch; Jim Heckman; Jim King; Mike Myhre; Lenae Quillen-Blume; Dan Ripke; Al Salgado; and Janice Washington.

Accreditation Committee Update: Mike Young (Chairman of the ASBDC Accreditation Committee) asked the Board to approve the appointment of three additional Committee members: Marjorie Miskec (Assistant State Director of the Nebraska SBDC network); Greg Panichello (State Director of the Utah SBDC network); and Katie Sewell (Deputy State Director of the Idaho SBDC network). He noted that, with the approval of these three new members, the

Committee would have 15 members who are state directors and eight members who are associate state directors.

Motion: Bill Carter moved that the Board of Directors approve the appointment of Marjorie Miskec (Assistant State Director of the Nebraska SBDC network); Greg Panichello (State Director of the Utah SBDC network); and Katie Sewell (Deputy State Director of the Idaho SBDC network) to the Accreditation Committee. The motion was seconded by Rich Werner and passed by voice vote.

Mike Young updated the Board on the Committee's training plans. He stated that the Committee will provide three training sessions for SBDC network members during the ASBDC Annual Conference in Chicago, with each training session lasting six hours.

He also stated that the Committee will hold training sessions for its members during the 2009 Spring Meeting. It was agreed that the Accreditation Committee training sessions will be held on the Saturday and Sunday preceding the 2009 Spring Meeting, and the Board meeting will be held on the following Monday. The Spring Business Meeting will be held on Tuesday, and other committee meetings will be held on Tuesday afternoon, following the Spring Business Meeting.

EDMIS Update: The Board discussed the status of EDMIS. It was stated that EDMIS historical data is faulty and definitional problems persist. It was stated that SBA is nevertheless making decisions and taking actions based on faulty EDMIS data. The Board discussed whether the Association should develop its own system for collecting SBDC impact and activity data.

Motion: Mike Myhre moved that the Board ask the ASBDC EDMIS Subcommittee (Chaired by Greg Panichello) to consider options for the ASBDC to develop its own electronic system for collecting SBDC activity and impact data, and make recommendations to the Board of Directors by the time of the Board meeting in Chicago in September. The motion was seconded by Jerry Cartwright and passed by voice vote.

EDMIS Subcommittee Update: Chair Keenan stated that the ASBDC EDMIS Subcommittee (Chaired by Greg Panichello) plans to bring together the organizations that work with SBDCs throughout the country on their data management systems, to discuss how to better coordinate with SBA's EDMIS system and resolve outstanding issues. The meeting will take place during the ASBDC Annual Conference in Chicago in September. It was suggested that the membership should be informed about this meeting.

President's Report:

2009 Program Announcement: Don Wilson stated that the Association's negotiations with SBA on the 2009 Program Announcement were very successful. He noted that one of the most significant accomplishments of the negotiations is the agreement that SBDC funding proposals for 2009 will be based on the 2008 appropriation level, instead of the significantly lower level provided by the President's FY 2009 Budget Proposal. He commended the work of the ASBDC Operations Committee (chaired by Mark Petrilli) and suggestions from the ASBDC membership, in the preparations for the negotiations.

He also stated that the joint SBA and ASBDC conference call to inform SBDCs about the Program Announcement was very successful.

Unobligated Funding: Don Wilson stated that he expects the SBA to inform the network about the availability of unobligated funding in the near future.

Technology Counselor Certification: Don Wilson stated that the Association's law firm is working on the contract with Andrew Sherman to establish the new Technology Counselor Certification program.

SBDC Economic Impact Survey by Professor Chrisman: Don Wilson stated that Professor Chrisman expects to receive approximately 10,000 responses to this year's SBDC survey of economic impact, which represents an excellent response rate.

Communications and Marketing Committee: Don Wilson stated that the ASBDC Communications and Marketing Committee will soon begin implementing the communications and marketing plan approved by the Board at its last meeting.

SBA Field Staff and SBDC Search Committees: Don Wilson stated that he has been made aware of two recent cases in which SBA field staff have participated on, or asked to participate on, search committees established by SBDC host institutions seeking to hire SBDC state directors. He noted that the Program Announcement and the SBA Office of Legal Counsel forbid this. The Board discussed how to address this problem. It was agreed that the Association should again address this problem with the SBA Office of SBDCs.

Community Express Loan Program: Don Wilson updated the Board on the status of the Community Express Loan Program. He stated that the reduction in Community Express Loan Program activity is affecting the ability of SBDCs to help small business clients access small loans.

Legislative Update:

Budget Resolution: Don Wilson stated that Congress completed the FY 2009 Budget Resolution. He noted that the final Budget Resolution allows for up to \$105 million in funding for the nationwide SBDC network in FY 2009, and \$3.25 million each for the new SBDC veterans and energy grant programs. These were the funding levels provided by the Senate Budget Resolution, as a result of the leadership of Senators Kerry and Snowe.

FY 2009 Appropriations: Don Wilson stated that the House Subcommittee on Financial Services and General Government Appropriations is scheduled to mark up its bill on June 17, and the full Appropriations Committee is scheduled to mark up the bill on June 25. He noted that the FY 2009 appropriations process is not likely to be completed until next year, and funding for SBDCs and most government programs is expected to be provided

by continuing resolutions after the end of FY 2008, until the final FY 2009 appropriations bills are enacted.

It was suggested that the Legislative Policy Advisory Committee should survey the membership about match funding in the coming years, and that the Association should ask SBA for copies of the “269” Forms.

SBA Reauthorization: Don Wilson updated the Board on the status of the SBA Reauthorization bills. He stated that the House passed its bill, and the Senate bill has been reported by the Small Business Committee and is awaiting action by the Senate.

Re-competition of SBDC Grants: Don Wilson stated that a Senate office contacted him to ask about the issue of re-competing SBDC grants. He stated that he was not aware that this was an issue for other Congressional offices at the moment.

SBA Update: The Board of Directors welcomed Jean Smith of the SBA Office of SBDCs, who updated the Board on the following matters.

Energy and Veterans Grant Programs: Jean Smith stated that the RFP for the new veterans SBDC grant program is expected to be released in the coming weeks. She stated that the RFP is expected to provide for up to five awards, and up to \$100,000 per award. She stated that the RFP for the new energy SBDC grant program is still being developed.

8(a) Taskforce: Jean Smith stated that the SBA is creating a taskforce, which will include representation from ASBDC, to consider ways to provide greater support for 8(a) firms. Antonio Doss is expected to send the Association a written explanation of the role and needs of the taskforce. Chair Keenan stated that she will forward that information to the membership when she receives it. Don Wilson asked Ms. Smith to provide the Association with information about the number of 8(a) firms in each state.

Notice of Awards: Jean Smith stated that all but four fiscal-year SBDC networks have received their 2008 Notices of Award. Don Wilson asked if something can be done to speed up the issuance of Notices of Award in future years, since late notices cause significant problems for SBDC networks. Jean Smith stated that SBA has taken steps to speed up the process and train more staff to help issue Notices of Awards. Ms. Smith stated that she would check to see if there are recurring errors in the submission of proposals, which might be slowing the process down, so that SBDCs could be informed of errors to avoid in the future.

SBA Personnel Changes: Jean Smith stated that Jovita Carranza is now the Acting SBA Administrator, following the appointment of Stephen Preston as Secretary of HUD. Ms. Smith stated that Holly Schick has been named Deputy Associate Administrator for Entrepreneurial Development programs.

Small Business Week Awards: Jean Smith stated that only 11 SBDCs from seven SBA regions were nominated for the SBDC Center of the Year Award. She asked the

Association to help SBA to encourage more nominations for next year's awards. Ms. Smith stated that she will inquire as to whether there is a way for SBA to more fully identify Small Business Week award winners who received SBDC assistance.

Annual Report on Entrepreneurial Development Programs: Jean Smith stated that the SBA's first Annual Report on SBA Entrepreneurial Development programs has been completed and is being printed. She stated that the report will rank SBDC networks. Board members expressed concern about not knowing what criteria and data were used to produce the rankings, and about the lack of opportunity for SBDC networks to correct any inaccurate information. Chair Keenan stated that the Association will express its concerns to the Associate Administrator for Entrepreneurial Development.

Roles of Project Officers and Program Managers: Jean Smith stated that the SBA is considering changes in the roles of project officers and program managers. She stated that the agency is thinking about doing away with the oversight and compliance (that is, site review) roles of project officers, and focusing their roles on marketing. In turn, program managers would assume more oversight functions, though not through regular, scheduled site reviews. Program managers would move away from completing checklists of SBDC activities and get to know their assigned SBDC networks better.

EDMIS: Board members expressed their concerns about the accuracy of EDMIS data, definitions, and the use of potentially incorrect data. Jean Smith stated that all EDMIS definitional problems had been resolved in the 2009 Program Announcement. She suggested that the ASBDC EDMIS Subcommittee work with SBA's EDMIS staff to run some test program numbers, to see if the changes made in the 2009 Program Announcement work as intended. She stated that she would be glad to address any specific problems that are brought to her attention.

SBA Field Staff and SBDC Search Committees: Don Wilson informed Jean Smith of two recent instances in which SBA field staff have been appointed, or asked to be appointed, to the search committees of host institutions that are seeking to hire state SBDC directors. He stated that this happened despite the prohibition in the Program Announcement and despite the clear position of the SBA Office of Legal Counsel that it is prohibited.

SBDC Counselor Certification Study: Jean Smith stated that the consultant hired by SBA to study SBDC counselor certification will complete her report in June.

Portability Grants: Jean Smith stated that SBDC Portability Grant proposals are being reviewed by SBA. She stated that 11 proposals were submitted. She stated that the new grants will be funded with money remaining from 2007 and with 2008 funds.

New Financial Review System: Jean Smith stated that the new financial review system is close to completion. She stated that SBDCs should be notified in the near future about the rankings they have been assigned, which determine the type of review they receive.

Accreditation Contract: Donna Ettenson informed Jean Smith that the ASBDC still does not have a written accreditation contract from SBA. The Association has a verbal extension of the contract through June, but nothing in writing. As a result, the Association cannot bill SBA for accreditation expenses.

Match Funding: Don Wilson asked Jean Smith to share with the Association the SBDCs that were not able to match all of their Federal funding, so that the Association can assist those networks to meet their full match requirements in future years.

Carry-Forward Notices: A Board member asked Jean Smith when carry-forward notices would be issued, and Jean Smith replied that the notices will be sent out in the near future.

Conference Update: Donna Ettenson updated the Board on preparations for the ASBDC Annual Conference in Chicago, September 2-5. She stated that the Association is ahead of last year's pace, in terms of conference sponsorships and booth sales. Don Wilson stated that the online conference registration system is working very well, thanks to the efforts of ASBDC Conference Planning Committee Chairman John Maynard. He stated that the Association has not yet found a sponsor for the SBDC client success story book this year. The Association is hoping that the book's sponsor from last year and the year before will be willing to sponsor the book this year.

Technology Counselor Certification: A Board member stated that the Association needs to communicate with SBDC counselors who might be interested in taking the Technology Counselor Certification test during the ASBDC Annual Conference in Chicago. Chair Keenan stated that the need to communicate with potential test takers is an issue that will be on the agenda of a meeting with Andrew Sherman on June 20. Chair Keenan added that the Association will be sending to the membership a concise paper on the requirements and process for obtaining the new Technology Counselor Certification.

Treasurer's Report: Treasurer Mike Myhre reviewed the Association's financial statements for May and reported that the financial position of the Association is sound.

ASBDC Leadership Transition: Chair Kennan stated that she would like the Association to consider retaining the services of an outside organization to assist the Association in planning for the leadership transition that will take place when Association President Don Wilson retires. She stated that she received three responses to a Request for Proposals for transition planning services. The Board discussed the three responses to the Request for Proposals, and whether the Association should ask an outside organization to assist in planning for the transition. It was noted that there are two issues that the Board should consider with regards to the transition. The first issue is the advisability of engaging in strategic planning in preparation for the transition, and the second issue is the process for selecting a new Association president.

The Board discussed a timeline for a leadership transition plan, with the following benchmark dates:

October/November, 2008 -- Search Committee established
August, 2009 -- New CEO in place

It was agreed that Jerry Cartwright will ask Marc King and Dan Parks if they are available to assist the Association with strategic planning and needs assessment of clients and stakeholders, in preparation for the selection of a new Association president.

It was agreed that Rich Werner will provide the Board with information about the scope and content of a training program for new members of the Board of Directors, with the goal of providing an orientation and training program to members of the Board of Directors by October, 2008.

Recess: The Board recessed for the day, at 5:00 p.m.

Reconvene: The Board reconvened at 8:00 o'clock on Tuesday morning, June 10.

SBDC Economic Impact Survey by Professor Chrisman: Don Wilson stated that, as the Board is aware, George Solomon of the SBA had stated his concerns with the annual SBDC Economic Impact Survey by Professor Chrisman. Among George Solomon's concerns is the issue of non-response bias. Don Wilson asked if the Board would like him to consult with an expert in the area of survey non-response bias, to consider the concern raised by George Solomon. It was agreed that Don Wilson will consult with an expert to consider the non-response bias concern raised by George Solomon.

It was agreed that Mike Young and Mike Myhre will lead a presentation during the ASBDC Annual Conference in Chicago on how to obtain a high response rate to the SBDC Economic Impact Survey by Professor Chrisman.

It was suggested that the Association again ask SBA to coordinate the timing of the SBA's Impact Survey of Entrepreneurial Development Resources with the timing of the SBDC Economic Impact Survey by Professor Chrisman. It was stated that small business clients often feel overwhelmed and confused when they receive both surveys at the same time.

Liaison Reports and Discussion:

SBDCs of Mexico: Al Salgado stated that representatives of 13 U.S. SBDCs attended the conference of Mexico's SBDCs in Veracruz in April. He stated that the South-West Texas Border Region SBDC network is working with SBDCs in Mexico to develop a web portal to allow U.S. SBDC clients to trade with clients of SBDCs in Mexico. He stated that he hopes to be able to offer this web portal to the entire U.S. SBDC network at a future date.

Training and Mentoring for Interim State SBDC Directors: The Board discussed the need for training and mentoring for interim state SBDC directors, to ensure that SBDC networks have the support they need when they are in a leadership transition. It was stated that all SBDC programs should have transition plans in place. It was suggested

that associate state directors should be informed that they are welcome to attend the Association's new director training programs, with the approval of their state directors. It was noted that the SBA Office of SBDCs should also be involved in supporting SBDC networks during SBDC leadership transitions. It was suggested that Board liaisons should be the point of contact for interim state directors who need assistance. It was stated that, since host institutions are the ASBDC's members, the Association should know who to contact at the host institution to assist in transition matters.

Northwestern SBDC Networks Regional Training Program: Bill Carter stated that the Northwestern SBDC networks held a very successful regional training program.

New SBDC Veterans Grant Program: A Board member stated that several SBDC networks expressed concern about the lack of information from SBA about the development of the new veterans SBDC grant program.

NxLevel: Rich Werner stated that NxLevel is developing an online version of its training program, and NxLevel is also being translated into Spanish.

ProfitMastery: A Board member stated that ProfitMastery is developing a training program for small business owners, and the company has been in touch with the ASBDC and several SBDC state directors during the development process.

Disaster Assistance and Recovery: Jerry Cartwright stated that the ASBDC Disaster Assistance and Recovery Interest Section will present a training workshop at the ASBDC Annual Conference in Chicago in September. The Interest Section is also compiling information and materials of value to SBDCs in disaster situations, which will be made available to all SBDC networks.

International Trade: Jerry Cartwright stated that the ASBDC International Trade Interest Section will present a training workshop at the ASBDC Annual Conference in Chicago in September. He stated that the SBA and the Commerce Department are both very interested in the training and will issue a certificate to those who attend.

Agriculture and Rural Development: Mike Myhre stated that the ASBDC Agriculture and Rural Development Interest Section are planning to use a web forum to gather best practices, so that those best practices can be shared throughout the network.

Region V SBDC Networks Meeting: Mike Myhre stated that the Region V SBDC state directors met in Chicago.

Women's Entrepreneurship: The Board discussed the role of the ASBDC Women's Entrepreneurship Interest Section. It was stated that women entrepreneurs are growing in numbers and the Women's Entrepreneurship Interest Section provides the Association with a vehicle to highlight the things that the nationwide network is doing to serve women entrepreneurs.

Legislative Policy: Georgianna Parkin stated that the Legislative Policy Advisory Committee will begin holding monthly conference calls, and the Committee plans to survey the membership about legislative issues.

New England SBDC Networks Professional Development Conference: Georgianna Parkin stated that the New England SBDC networks were holding a professional development conference the following week.

ASBDC Business Meeting: The Board discussed the agenda for the ASBDC Business Meeting, which will be held during the ASBDC Annual Conference in Chicago in September.

Written Reports by ASBDC Committees, Taskforces and Interest Sections: Chair Keenan asked Board members to contact their assigned committee, taskforce and interest section liaisons to let them know that they will be asked to prepare written reports for the ASBDC Business Meeting in Chicago in September. A report template will be sent to all committee, taskforce and interest section chairs in the near future.

Adjournment: Rich Werner moved that the meeting adjourn. The motion was seconded by Bill Carter and passed by voice vote. The meeting adjourned at noon (Eastern Daylight Savings Time), on Tuesday, June 10, 2008.

Next Meetings of the Board:

- The next meeting of the Board will be held by conference call on Tuesday, June 24, at 3:00 p.m. (Eastern Daylight Savings Time).
- Regular meetings of the Board are held by conference call on the fourth Tuesday of each month, at 3:00 p.m. (Eastern Time), with the following exceptions:
 - September 1, 2008 (Monday, in Chicago)
 - October 14-15, 2008 (Tuesday and Wednesday)
 - January 13-14, 2009 (Tuesday and Wednesday)
 - March 1, 2009 (Sunday, preceding the Spring Meeting)
 - June 9-10, 2009 (Tuesday and Wednesday)
 - September 13, 2009 (Sunday, preceding the Fall Conference in Orlando)
 - October 13-14 (Tuesday and Wednesday)