

**Minutes**  
**ASBDC Board of Directors**  
**January 10-11, 2011 Washington, DC**

**Minutes – January 10, 2011**

Meeting called to order by Chairman Salgado at 8:25 AM Eastern time.

Board Members present: Chairman Salgado; CEO Tee Rowe; Jim King; Brett Rogers; Georgianna Parkin; Gayle Kugler; Allen Adams; Mike Young and Marc King.

Board Members absent: Jerry Cartwright and Mary Lynn Wilkerson

Other Association staff present for the meeting included Donna Ettenson and Laurie Rains.

Also present for part of meeting: Antonio Doss, Jean Smith from SBA

Chair Salgado called for a minute of silence for Jerry Cartwright and Congresswoman Giffords. He then reviewed the Agenda. Allen Adams suggested three additional items to be added to the agenda. 1) Review dual survey process and where we are with SBA related to combining the surveys 2) Must address challenges presented by the research faculty 3) Data from Chrisman benchmarking proposal.

**Approval of minutes** - Corrections were offered adding Mary Lynn Wilkerson as a phone attendee. Word edits, last page separating Marketing from Tech and New business. Motion to approve with corrections made by Mike Young, second by Brett Rogers. Minutes approved unanimously.

**Chairman's Report** - Chairman Salgado lead a discussion related to topical issues the board should address with The Deputy Administrator, Marie Johns when she joins the meeting later in the day. The discussion included definitions, new 641, and frame work for the discussion.

The chairman complimented Jim King for his efforts in helping coordinate the Operations Committee and the issues in discussion with SBA. Jim King provided an overview of discussion topics and issues discussed with SBA including baseline definitions, consistent message related to what we do and how we count, EDMIS revisions, difference between SBDC,s, SCORE, and Women's Centers, 641, and need for each of the entities to develop their own definitions and reportable results.

The Chair made remarks concerning the work with OSBDC on Jobs Bill and the need for additional information on the 641. He also expressed the need for clarification of the metrics including the jobs created/retained to assist states in consistently reporting the impact of the jobs bill. Also discussed the need for the client to provide some level of attribution, SBDC's should not arbitrarily document outcomes without some verification by

the client. Georgianna Parkin raised an issue related to International trade and SBA involvement and express concern about clarifying roles and any unfunded mandates that may surface through partnership arrangements.

The Chair also noted topics to be discussed with the administration. They included Partnerships, jobs Act, Credit side of SBA-dealing with banks and getting the message out, Congress's request for results and what SBA plans to report to congress and definitions with one goal in mind is to meet with SBA before the Spring meeting. Further discussion was centered on SBAs ability to get money out, often months after the start of a project notification. Also concern was expressed about when the Jobs Bull money will be received. The Chair also raised the issue of what number of jobs will be expected for the jobs bill. It was also suggested that SBDCs should have a number and perhaps it would be good to poll the membership to see what is being proposed. Another issue raised was issues at the universities recruiting while also terminating employees. Additionally, with the SBA supplemental request money not being received left the universities somewhat reluctant and uncomfortable in moving forward. Concern was expressed when programs don't have funding the university must extent credit which is an issue in the current budget environment.

**President's Report** - President Rowe provided an update related to the assessment tool which was found to not be very effective, USAICS touching about 12000 businesses per year but not sure how many are referred to SBDCs, and Department of Commerce pay to play culture. He also indicated that SBA will be coming out with a proposal for SBDCs to provide training/assistance for contracting. Tee also identified issues related to the new definitions, 641 posing problems for counting at the state level for state funded programs. He also expressed the need of SBDCs to maintain control and seek new opportunities. He also discussed the MEP's role in various states, their budget challenges and clients served. Tee also shared with the board the SBA plan to use Regional Program Managers to review SBDC proposals including their Jobs Bill proposals. Tee introduced Laurie Rains, the new Government Relationship employee at the ASBDC. Laurie has extensive experience as a lobbyist in DC.

Tee proposed eliminating the National Journal subscription at \$3400 / year and replacing it with a Capitol Hill Club membership at about the same cost. The club is located on Capitol Hill by the Cannon Building. The membership will not belong to TEE but for the ASBDC. Mike Young moved the change and Jim King seconded it. The board approved the request.

**Legislative Update** – President Rowe reviewed with the Board expected changes to take place in the House and Senate resulting from to the mid-term elections. Concerns continue to be expressed over talk of budget and spending that could be reduced to FY'08 levels. Committee Chairs have not been finalized but there will be some changes in chairs and committee make up. Much work will be required to educate the new members. Laurie Rains, new government relations employee at ASBDC will assume a key role in meeting with the new members as she has had extensive experience working the hill as a healthcare lobbyist. Other items presented by the President:

- Plan to hold line on funding request

- Let DETA money( \$2,000,000) go back to core
- Portability grants not sure we can get rid of them due to senatorial support
- Legislative committee will engage Tee in February to discuss hill visit in March
- State Directors to provide 5 success stories
- Tee and Laurie will develop a hill visit strategy
- Keep things simple so as not to scare new State Directors
- Need to set appointments; scripts to be provided at Spring meeting
- Tee to e-mail State Directors setting stage for the hill visits
- Excellent site visit to San Diego
- Lisa last day was Tuesday January13th
- Chairman Graves and Chairwoman Landrieu were invited to address the membership meeting Tuesday

**Treasurer's Report** – Treasurer Mike Young provided a brief review of the financials and preliminary results of the conference. Income for the year is expected to be around \$300,000 with a better than expected year and fortunate to come in over the budget figures. Statements have not been reconciled but are expected to be before the spring meeting. The 2011 budget is proposed as a breakeven budget with the addition of staff at the ASBDC. The conference intention is not so much that the results are on the backs of the attendees but cost offset by sponsors and exhibitors. The treasure reminded the board they needed to be aware of the surplus in the account and not create conflict with the membership. San Diego is expected to be a good draw with greater participation by tech sponsors to be drawn into the conference. Discussing with SBA greater participation in San Diego and the ASBDC needs to confirm and talk up their participation.

A projected budget was presented by the Treasure.

**Motion made by Marc King to accept the budget proposal**

**Second by Gayle Kugler**

**Unanimous vote to approve**

**Deputy Administrator Visit with the Board** – The SBA Deputy Administrator Marie Johns visited with the ASBDC board and thanked the board for the invitation and opportunity to have a dialogue and was open to discussing a broad range of issues related to SBA and The SBDC program. The discussion included:

- the Jobs Bill proposals received at SBA which totaled 63 to date
- what the agency can do better to support the SBDC network
- SBDC is critical partner of the SBA and is important to consider how to make it more vibrant and relevant
- Both SBA and SBDC needs to work on rebranding
- Pleased with the new partnership articulated in the jobs bill
- SBA District office and SBDC unevenness
- Better communication at all levels
- Working together to implement the jobs bill to make sure the desired results are achieved
- Discussed Administrator Karen Mills focus on clusters; Deputy focused on being viable and strong

- Desire to make presentation to the Board on the 10 clusters that are geographically diverse. The Administrator wants to explore how SBDC can be involved and connected
- Discussed the 7A extended authority through March and have not requested an extension of the 90% guarantee.
- Expressed desire for SBDC to reach more folks and be more creative about supporting the next generation of entrepreneurs, connecting to underserved communities, local issues around unemployment rates at the state/community level as old jobs are not coming back and we must focus on creating new jobs.
- Collaborating with ASBDC as the association can often give voice to things the SBA cannot.
- The need to share agency wide priorities and make SBDC knowledgeable across the board.
- SBDCs role to play in informing the underserved with a strong entrepreneurial message. Many suffer from lack of information and the SBDC are the only ones out there to do it,

The board, Chair and the President engaged the Administrator in an open dialogue and asked questions, sought clarifications and raised issues that are impacting the SBDC network, district office relationships as well as the relationship with OSBDC at SBA.

**Small Business Committee Staff Discussion** - Amy Sanchez and Meredith West expressed thanks for the opportunity to meet with the board. They are continuing to work on the SBDC legislation and are considering the best option for carrying the legislation forward. The options are to combine in a larger bill or split up the bill. Splitting the bill would allow the ASBDC to focus on the bill related to SBDC activity. If the stand alone bill is rolled into the larger bill the ASBDC could focus on the SBDC portion. Additional discussion centered on:

- Based on previous congresses the staff sees the SBDCs in a good place
- In this legislation there are some house cleaning issues but none that would change the SBDCs significantly
- The Board and membership must focus on appropriations
- Funding is going to be a challenge in this congress. All are eager to see the President's budget. Some may see the \$50 million as pay back for not including the SBDC in the stimulus bill but OMB may see it as a chance to cut core funding.
- There is some fear of OMB control over the budgeting process
- Experience indicates that nothing is done until it goes to the printer
- Staff will fight any proposed cuts to the SBDC program
- Staff can justify what SBDCs are asking for because of having results to show such as jobs, capital and business starts.
- The staff is comfortable that the appropriations committee understands the importance of the SBDC core funding bill at \$113 million. They are optimistic but realize funding in this congress is an issue.

Jim King raised the issue of confidentiality and the support it has had over the years. Now we face the collaboration requiring clients to release confidentiality to other partners. The real issue is the other programs that don't have any confidentiality requirements both state

and federal. This prompts concerns from 2 perspectives 1) privacy issue 2) Data collection. This prompts the question, “is the current language in the bill sufficient?”

The Chair raised the issue of accreditation funding and the need for additional funding to support the accreditation training, travel and SBDCNET is also under the umbrella. Where we would like to see it go is to a funding level to support committee training. Train all counselors on the Baldrige process in how we deliver services and also help counselors assist small businesses with their productivity and efficiency. Regulatory reform is also high on the list for the Board. Additional discussion about disaster service delivered across state lines and the possible reimbursement of the cost of that service. Concerns were also expressed about consolidation of programs under the current budget constraints. The staff responded that everything is on the table and the committee will be reviewing program effectiveness, results and at the end of the day the SB committee will be looking for what is working and delivering results.

The chair raised the issue of dual national impact surveys by SBA and ASBDC and requested assistance in helping resolve the issue.

The SBC is meeting with SBA to discuss EDMIS and how the data is manipulated.

**Branding Conference call** - Mike Young had met with Larry Kelly A professor of advertising and a partner in FKM a Houston Advertising agency. Mr. Kelly presented a proposal for the board to consider. His presentation included 1) Opportunity 2) Process 3) Cost and next steps. An opportunity for questions and discussion was provided to the Board. The Board then discussed the merits of branding looking at:

- why brand?
- what and who do we want to brand?
- what are the core services?
- do we involve SBA?

Board decided more work and information from the membership is needed before moving forward with a branding or national message campaign.

**Action Matrix** – Vice Chair Marc King reported the matrix is being updated as component of the strategic planning process and that the structure will basically remain the same. Some previous elements will be brought forward. Discussions on this will be held as part of the strategic planning sessions by the Board which will occur Tuesday. The new Matrix and Plan will be posted to the ASBDC web site for membership access.

**Antonio and Jean from SBA Discussion** - Antonio and Jean met with the board to discuss

1. Definitions
  - Currently working with the Operations committee and plan to meet again on the January 13th
2. Project officer checklist
  - More streamlined checklist
  - Less financial more systematic
  - Ease of transition to new to new project officer when turn over occurs

- Phone calls to clients for data validation and understanding the client experience
- Will train project officers the end of January
- Risk based approach-going to center with the largest % of clients.
- Will not have to visit every center every year
- Goal is to review 70% of the clients
- Review 80% of the center every 2 years

Board engaged in an extensive discussion related to the project officer calls and project officer checklist.

### 3. Impact study

- Willing to discuss combining survey.
- SBA survey already sent for this year
- Discussed Solomon's criticism of Chrisman's methodology
- Need to take a close look and identify a third party to help shepherd this through

### 4. Jobs Act and 641 changes

- Reviewed 641 changes
- Jobs act out by mid February.
- Project date submission date; first in, first out
- Case by case if a SBDC needs advance letter confirming jobs award

### 5. Conference attendance

- Tough sell due to budget
- California DD are excited and want to participate
- Lending community may increase interest

### 6. Audits financial levels

- 1 self verification up to 6 years
- 2 desk review
- 3 on site

**Accreditation Update** – Accreditation Chair Mike Young reported that the committee completed all the reviews for 2010. Six new members have joined the committee. Training for the new members has been scheduled for Wednesday January 12, 2011. The committee will meet January 13<sup>th</sup> at noon on the 15<sup>th</sup> 2011. The spring meeting will be Sunday before the Board and membership meeting in March. During this meeting the 2011 schedule will be finalized and the new standards will be proposed to the membership at the March 2011 meeting. Open discussion by the board regarding 4-5 weak programs that can impact the whole network. The accreditation process is intended to identify best practices of good programs while also identify the weaknesses of weak programs and help the remedy their problems,

## **Old Business**

Tech certification discussed on last board call.

- \$55,000 cost for 19 participants
- Cost benefit issue
- Every year? Every other year?
- How many interested in sitting for the exam?

Board discussed the tech certification issue and it will be referred to the technology committee chair, Scott Daugherty, to bring recommendations to the Board.

Strategic Planning for Board – is scheduled for Tuesday January 12 from 8am-5:30 pm.

Chrisman Benchmark proposal – proposal was provided in advance for the Board to review. Presented by Vice Chair Marc King and indicated that this was a previous item brought forward by the Associate Director's Working Group. Additional metric and bands were proposed that aligns with Accreditation Standard 4.1. Board pursued discussion on potential for further breakdown possibilities for example, veterans and international trade; how this would compare to other state analysis use and how this could be used as a benefit. Members gave a sense of more value than downsides. Reports generated would cost approximately \$1,400 each.

**Motion Made to accept the benchmark proposal by Allen Adams**

**Second by Mike Young**

**Board approved unanimously**

### **Additional presentations /Conference calls**

- Greg Jacobs, Chemonics discussed USAID proposal for small business assistance work in El Salvador. No action by Board
- Bill Elmore and Dick Snyder to discuss VBOC program. Call cancelled

Chair Salgado indicated a desire for a motion to adjourn. Board Member Jim King so moved. Gayle Kugler seconded. Meeting adjourned at 5:15 Eastern.