

**ASBDC Board of Directors
Conference Call Meeting Minutes
December 12, 2011**

Meeting called to order by Chairman Salgado at 11:04 Eastern Daylight Time.

Board Members present - Chairman Salgado; CEO Tee Rowe, Georgianna Parkin; Allen Adams; Gayle Kugler; Jim King; Marc King; Jim Heckman; Diane Howerton; and Mike Young

Board Members Absent: Brett Rogers
Guests: Mark Petrilli

Approval of November 8, 2011 Minutes – Diane Howerton had one edit under old business second paragraph. She indicated that Brett Rogers had made the comment about the consistent use of the word consultants. The minutes will be revised to reflect the correction. Approval of the minutes was moved by Jim Heckmann and seconded by Mike Young.

Treasurer's Financial Summary –Mike Young indicated that during the month of November the Association incurred a significant amount of travel costs. This was due to a site visit to New Orleans which is the location of the 2012 ASBDC annual conference, a trip to El Salvador by Tee and Laurie under a task order for the Chemonics project and a trip to Mexico to attend the Mexican Association of SBDCs. Tee indicated that cost for the trip to El Salvador should be reimbursed. Mike indicated that Donna send out the 11 month profit and loss statement which seems to reflect the conference generated about \$200,000 in net income. Off the top of this head he projects we will be at approximately \$60,000 in net profit. This is before factoring gains and losses in investments. Tee interjected that he felt some of his salary and Laurie's would be reimbursed by the Chemonics contract up to approximately \$7,000.00. In addition, Tee indicated that funding for the FKM contract was not provided for in the original 2011 budget. This will be reflected by a \$45, 000 expense under the marketing budget. Jim Heckman asked again for the preceding year to date budget reports for last year and this current month to view as a comparison. Tee indicated all of that should be posted to the member website. Dan O'Grady has been posting up until now and the task will now transition to April. Tee will follow-up so that the information is posted asap.

President's Report/ Legislative Update –

Congress is on break right now. They have been trying to pass an Omnibus appropriations bill. They passed one "minibus" bill incorporating three of the appropriations bills but have not been able to pass a second "minibus" which would have included SBA. Congress would prefer to approve funding for programs for the entire year not piecemeal as was done last year. There have been problems around the deal to continue the payroll tax reduction. The House passed a bill and now wants to recess on December 16th. Tee believes both branches will attempt to conference the appropriations bills but indicated that sometime there are

riders (Keystone pipeline, other environmental items) tacked onto appropriations bills which hold up the process. Tee also indicated that at this time reauthorization for SBDCs remains at a standstill.

On November 18th Tee attended an entrepreneurial summit at the US Chamber. He connected with the Foundation for Entrepreneurship and there were many interesting speakers. He also connected with an international micro finance organization that may want to support activities in DC and nationally. Donna and Laurie met with Citigroup regarding activities through the Foundation and are working up a proposal.

While Tee and Laurie were in El Salvador on the Chemonics project they visited five of the the CDMYPEs, El Salvador's version of SBDCs. While there they worked on draft documents for the work plan for the project. ASBDC is a subcontractor to Chemonics for the project. Tee indicated that UTSA did the ground work for the project over the past two years. While there is still basic work to do the project is at a point where it can expand to incorporate efforts from the broader ASBDC membership.

Tee also discussed a site visit was made to New Orleans site of the fall 2012 conference and he attended a meeting in Las Vegas to address the Department of Commerce District Export Council meeting on export issues and SBDC collaboration with District Export Councils. Tee also discussed conversations with our legal counsel about lobbying and use of federal funds issues and interpretation of the bylaws.

He will be in El Salvador at the end of the month for a plenary session to help individuals there develop the skills sets needed to implement an accreditation process. In El Salvador there are currently 10 centers established. Al Salgado has previously assisted the centers and the Association hopes to draw on resources from the rest of the network in the future. Mike Young then asked for an update on the Chemonics project i.e. the key provisions and exactly what the ASBDC was committed to. Tee then responded

The ASBDC will:

Assist Chemonics in developing the CDMYPE (SBDC) network in El Salvador. It currently consists of 10 centers and hopes to expand to 14. UTSA did the initial work. ASBDC will do assessment and workplan to help incorporate the resources of the ASBDC network to develop further skills and specialized centers in El Salvador. The contract repays ASBDC effort on a cost reimbursable basis. The contract is an indefinite quantity contract operating on a task order basis. Each task order would include travel, salaries for the project participants and an indirect cost rate of 24%. The maximum amount of contract over four year is \$620,000.

An example of incorporating broader resources is a discussion with Bob Forster about setting up a disaster initiative.

A discussion then followed about ensuring that Chemonics and other activities by the ASBDC offices do not distract from DC issues and state membership/program needs.

Tee indicated that after the first few months of the Chemonics project in El Salvador his effort and time on the project would greatly reduce.

Mark King inquired as to what Tee thought might happen with Congress reconvened. Tee indicated it is difficult to make a prediction. He did indicate that defense makes up 50% of the 1.2 trillion dollars in budget cuts but the larger question is "How will Congress approach the across the board cuts. Will they leave it up to agency heads to decide or will

Congress dictate what programs would be reduced". Mike Young suggested that Tee should have a position developed in time for the Spring Meeting. Representative Sam Graves sent a letter to the "Super Committee". That letter included recommendations for the elimination of certain programs but, not SBDCs. Tee indicated the largest issue is not to leave budget reduction decisions in the hands of agency heads because that will take the power from Congress. Tee will be in meetings with the appropriations subcommittees on the issue of reductions/sequestration.

Gayle inquired about any updates regarding the proposed meeting with Michael Chodos and NOAs. Tee indicated that NOAs were not ready yet but, he would meet with Jean Smith after the Board meeting. As of the Board meeting there has been no date set or money for the meeting with Michael Chodos. He also indicated that Chodos and the SBA Trade office will meet next week.

Gayle indicated she had a meeting with Marie Johns and other SBA partners, SCORE and Women's Business Centers, etc. The theme focused on working together. There was also a discussion on expansion of Youth Entrepreneurship initiatives. It was mentioned that SBA had a five year contract with Sales force.com The outcome was fairly benign, resource partners merely advised to work together

Mike Young mentioned that there was a directive from the agency to talk to partners about how they are different from each other as positioning by the agency to get away from the perception that there are duplicative programs.

There was a brief discussion about SCORE and how they were positioned in various states. Some mentioned they are re-positioning to provide advice to long- term extended engagement clients similar to SBDC's. We all need to come together with a focus nationally to sell our selves.

There was also a discussion about the SBDC reaching out to media and to tap into national media.

METRICS UPDATE

Tee has been receiving individual state reports as requested but there are gaps/ Marc King stated that the 9 digit zip code is a big issue. We discussed issues with confidentiality. The vendors cannot send the information to Tee directly due to confidentiality issues. Some asked what the contact with the vendors looked like, we need to identify and correct the gaps in data Tee is receiving so we can move forward.

We then discussed that SBA will be under pressure to reduce funding and we need to develop a strategy to approach Congress and the media. How do we want to position ourselves and do we have the data to support that position? We also discussed not putting additional burden on lead centers to gather this data and but if they need to do something let them know upfront. It was mentioned that the vendors are supposed to manage the data and that WEbCats has a new build in their system with the nine digit zip code. We then discussed that we submitted four names to SBA for a working group on data collection. It

was also stated that there are some gaps in communication regarding what the ASBDC office needs from centers; i.e. how often to you want the reports? Al and Tee will send out a communication on this topic.

ACTION MATRIX Marc King has not received many updates. AL will send out an email asking liaisons to contact committee members to get their reports in. We will have a detailed discussion at the January meeting and in the meantime any updates should be submitted to Marc.

Tee will develop a white paper for the January Board meeting regarding the Foundation regarding stakeholders, an advisory board etc. The ASBDC office needs to compile a historical piece on the office and various functions. With position descriptions, goals tied to work plan etc. The ASBDC CEO evaluation is in process as is compilation of the handbook

There was a brief discussion about the time-line of the SBA longitudinal study versus our Impact study and why we cannot just conduct one study, Tee will asked SBA about this. Next meeting January 30th in New Orleans

Motion to Adjourn made by Jim King. It was seconded by Jim Heckman. Meeting adjourned 12:37 pm

Executive session Convened at 12:51 pm