

**ASBDC Board of Directors
Face to Face Meeting Minutes
January 30, 2012**

Meeting called to order by Chairman Salgado at **8:29 am**.

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

ASBDC Staff Present: Laurie Rains, Donna Ettenson

Guests: Mary Lynn Wilkerson

Approval of December 12, 2011 Minutes. Georgianna Parkin read a correction on the last page of the December minutes which did not make it into the packet. Diane Howerton also had a minor correction in fourth paragraph, a typo which will be corrected. Brett Rogers moved to approve the minutes and it was seconded by Gayle Kugler. The minutes from December were then unanimously approved.

Chairman's Introductory Comments:

- 1.) Chair will put together a list of action items to distribute to the Board so the action matrix can be cross walked with the CEO and committee work plans.
- 2.) We need to come up with a plan to manage communications with the membership. Either ASBDC staff takes on the function or the Board needs to enhance communication through board liaison groups. Areas needing improvement: Committee reports and updates, SBA relationships.
- 3.) Jean Smith will not attend the January meeting. Her interim status as Acting Associate Administrator ends in February. There is a possibility she cannot remain Acting because she is also candidate for the position. We are not sure how the process works but Tee will check on it. Ann Bradbury will be standing in for Jean at the January meeting.
- 4.) There will be a meeting with all SBA entrepreneurial development partners. Several members stressed that SBA should work through the Board on this and not go around the Board by convening the meeting and inviting SBDC directors. It has been discovered that SBA had invited an individual from each of the 10 regions. Several Board members will be there, as well as Tee. The board discussed the agenda for the meeting and will approach Michael Chodos to get clarification on what SBA expects for an outcome. The problem the Board sees is that the relationship between SBA and its partners is different in every state. We as a membership need to get our unified

message straight prior to the meeting. It was agreed that invited directors will talk and develop a unified message.

5.) Discussion surrounding the proposed creation of a “super agency” combining Commerce and others agencies/programs. The Hill does not seem concerned as the amount of money (savings) involved is minimal. Tee discussed the need to find out from SBA what they perceive would be accomplished by merging SBA with other agency functions.

6.) It was agreed that the membership needs a “strategy primer” prior to the day on the Hill. Tee will add an executive summary to the legislative position paper

Brief discussion of states with declining SCORE programs. Several members raised the issue of declining participation of SCORE

Jim King discussed current feedback on his survey on funding environment of SBDC programs. Only 26 Responses received.

- 4 indicated they had serious funding issues

- 1 seriously challenged

- 10 in decline

- 7 states have direct appropriation from the state and another 6 with state agencies

- 14/26 has the university as a dominant source of funds

- Outside support 5/26 match from public foundations.

- 25% have private foundation funds.

A question arose concerning how we could help our members work with state legislators. 30-40% of our members are not able to pull down all of the funds offered their program. Jim will reach out through the ASBDC liaison groups one more time to urge state directors to respond to the survey. Jim will send out the names of states who have responded to the Board so we can follow up. Tee indicated it would be a good idea to convene a small workshop on state lobbying. Perhaps we want to ask California how they did it when faced with significant cuts.

Tee- Michael Chodos will discuss the pending draft of the confidentiality regulations. We need to look hard and long at the privacy language. Need to clarify the language and intent with SBA. Tee indicates we need to make it clear in statute.

Al--Client Attribution Process. Data help us monitor growth but, we need verification of Impact.

Al: Client verification reinforces the impact survey. We need to have client confidentiality in all of our data.

Mike Young --This is what we agreed to do at meeting and in accreditation standards. Data gathering is a component to all of this.

Allen--Need a resolution/ Enforcement of a mechanism. The Association can't do this. We have different mindsets on what is client verification.

Al-- We have not done a good job of communicating the reasoning behind client verification.

Jim K --The advisor collects the data and that's where the burden will fall.

Marc-- There is confusion with emails on the recommendations sent out. Need to be clear, it is a suggestion not a requirement. There is not consistent interpretation across the membership—we have a communication problem.

Jim K -- This is actually a wakeup call from clients for some advisors.

Tee—Need better organization. Problem with ad hoc committees and understanding their responsibilities.

Board joined by SBA Deputy Administrator Marie Johns, Associate Administrator Michael Chodos, Asst. Administrator Ann Bradbury.

Message from Marie Johns. We are trying to rebuild the middle class. Small biz is definitely middle class. All the partners need to work together and collaborate. Marie Johns believes SBA needs to take its share of budget cuts and we need to think creatively about other partnerships. Al inquired about the proposed reorganization.

SBA made some suggestions to OMB about how they could work more efficiently with small business, trade development offices, innovation programs and others. She indicated that the SBA portfolio won't shrink it will be augmented. Furthermore, she communicated that the President is pleased with SBA and what it's done. In the future SBA will need to manage more activities such as NEI (National Export Initiative).

SBA is involved with the STEP program. A meeting will take place in March. Dario will be leading discussions. He is from Los Angeles. There was also a mention of several other SBA initiatives: EDMIS, National Veterans, Young Entrepreneur, and Wisconsin job corps. Marie also mentioned the Partnership for America. She also discussed the President's budget which will be coming out in several weeks. She stated that SBA needed to take across the board cuts. The budget is delayed as soon as its released we can talk with them about it.

Michael stated that all SBA resource partners will get a reduced budget in the SBA budget proposal for 2013. In addition he indicated all resource partners were treated with parity with cuts prorated and all resources took their fair share of cuts.

Tee will follow up with Michael and Marie regarding any movement regarding the super agency initiatives.

A brief discussion was held regarding SBA's release of the results of the last longitudinal study. We should take a close look at it for any edits. We all agreed we have a heightened urgency to form a strategy and take a position on the performance of SBDCs under SBA's study.

Tee is working on finalizing a revision to the 1997 policies and procedures manual and will provide an estimated completion date to include in the action matrix. Mike Young says he has a copy which he will scan and email to those wishing a copy.

Conference Committee report- Rod Hollenstine said that the submission of papers deadline is 2/1/12. The training agenda will be set by the conference committee in March. Sponsorships are up. We already have Sprint, Google, Microsoft, etc. Comparison of cost of last year's conference versus New Orleans and the future sites of 2013 Orlando, 2014 Gaylord Texas, 2015 (no contract yet), 2016 Orlando. All agreed it's not good to go to Vegas or Reno in 2015 because of stigma that may be attached to it. We should check out Minneapolis, San Francisco, and San Diego. The possibility of Long Beach (4 hotels plus small convention center) was mentioned. Board members did not like the idea of multiple hotels/convention center concept, all preferred single hotels. Tee noted that this will tend to severely restrict potential venues.

ASBDC Foundation: Tee will have a meeting coinciding with the March membership meeting. Laurie and Donna are finalizing a deal with Citi group and the Foundation. Citi group may be a source funding for special projects and a method to develop a funding stream. Goal: To raise visibility of our programs. New Foundation board has been created.

Bob Forster & Cliff Paredes had a meeting with the SBDC equivalent in El Salvador and their efforts to create an accreditation model. They are moving towards an outcome based system. Tee views this as a cornerstone to working with other Latin American countries as it will increase their level of confidence with us.

Chrisman survey- there will be one more look at the overall structure then it will be sent out to the membership. Tee emphasized the need to coordinate with SBA the timing of our impact survey with their survey. He also indicated Dr. Solomon is retiring. Ann Bradbury is receptive to coordinating surveys.

Tee indicated that the legislative strategy is in Board packets. Areas addressed are the President's budget, across the board cuts due to "super-committee". We do not have significant concerns due to the differences in super committee role. There will be an overall 9.3% cut in nonexempt discretionary programs and 8.3% in defense. Tee believes the President's budget will reflect 10% across the board cuts. The question will be whether they apply to actual appropriations for programs or to prior budget recommendations. There are some offsetting cuts in non-exempt mandatory programs. Still if they base the cut on the final budget from last year we will go from having \$112.5m to \$101 million. The minimum states will receive this year is \$625,000 that would drop significantly. There is a problem with the Presidents 4 pillars. We discussed necessity to position ourselves; Tee says we have Durbin on our side, and Moran. There has been a shuffling of staff on the House side. We need to work with the National Governors Association, National Conference of Mayors, etc. It is vital to personalize our message.

We also was also discussed the need for a quarterly call with all state directors to coincide with the SBA calls to clarify issues and concerns and increase communication.

Diane Howerton suggested as a message - We: 1.) Help People 2.) Help grow stronger companies.

It was also suggested to get attention with local offices.

Financial/Treasurers report: Mike Young operating budget actual budget is lower than projected, we did better on the conference than we thought, \$100,000+. We are also paying FKM \$90,000 not reflected in the budget, so a net of \$10,000.00. The travel budget is a bit more due to hotel costs higher than anticipated. Brett questioned difference in phone costs, reason – now ASBDC staff has cell phones. There is also a 2011-2012 budget comparison in the packet.

Costs for the national meeting are conservative. The registration fee is increasing from \$595 to \$645, primarily due to increase in food costs. Estimate right now is 1,400 attendees. Brett mentioned that many states will be sending fewer staff. Mike Young pointed out there was a slight error in the net income because interest dividends were entered on two lines. Motion to approve the 2012 budget was offered by Jim King and seconded by Al, subject to any adjustments made during the executive session. Motion was approved by acclamation.

Beth Melnik will work with Mike Young and Jim Chrisman to get the revised targeted range clients and comparable five ranges to the membership. This will be posted on the accreditation page of the website; Mike indicated that the actual net budget is \$122,000.

Mike Young mentioned he is developing a technology commercialization certificate within his institution. It's a 48 hour course over 16 week. 4 modules with testing. Could be an alternative for technology certification. Allen indicated his staff member is looking at core comps Tee discussed aging summary report: \$209,000 \$20,00 from two sponsors, \$128,000 SBA, \$88,000, \$40,00 in process, \$12,600 cumonics, \$21,000 protex. Plus the Foundation owes the ASBD C\$8,000.

SBA: Michael Chodos & Anne Bradbury Part 2

Ann was asked about retention of client files in an electronic format. We need direction from SBA. Ann indicates that it is allowable and it is clarified in the program announcement, Tee and Al will follow up. She then discussed the current year's budget base funding of \$112 million. She indicated smaller states will get \$625,000 and run the formula to bring all up to \$625,000. The administrative costs for accreditation and SBDC Net come out of gross first. Then the remainder is divided amongst states. For FY 2012 funding for specialty grants includes \$1 million for energy grants, the \$2 million for DETA was put back into core funding, the veteran's grants sunset in 2012 but, are funded off 2011 funds for now. Veterans' grants are only \$500,000, Portability \$1million and

clearinghouse, accreditation and advisory board are funded off of 2012 funds. SBA is working on the accreditation contract and hoping to have it restructured. They also hope Congress will increase funding,

NEI- Commerce has developed training certification @ free.export.gov. 31 sbdc staff have passed the course at the intermediate level and 26 passed the introductory level. GDBG certification also qualifies.

SBDC Clearinghouse- Right now the clearing house takes four weeks to fulfill requests. We inquired about an increase in funding for the initiative and how to address potential cuts for 2013. Ann says OMB ultimately decides on the legislative package. Al discussed benefits of the clearing house. Al indicates they need \$500,000 and currently he now contributes \$260,000 to \$280,000 to cover costs. They had 7,500 requests in 2011. Some SBDCs use it in lieu of their own in house research. SBA has a possible offer from a private company to conduct research next year. Al and Tee will follow up .It will be an issue.

Step Award- There is a reapplication process each year. In the new rfp SBDCS can be a sub recipient. There will be a bid meeting in late February early March.2012.We need to ensure that the ASBDC participates and is at the table. Tee and Al will follow up with Michael Chides.

EDMIS Group: Have had 2 meetings thus far. Anne has pulled back the edmis contract. There is a current discussion of what we need the system to do. Some questioned when we bring the two vendors into the conversation. We need to get the 3 together. SBA has a new staff member to get a new system up and running next year. At this point it is all policy driven. ASBDC has 3 folks identified to be on the committee. Al indicated he will leave it up to the operations committee to decide who is on it. Michael Chodos mentioned collecting data on the impact of training attendees. This would create many issues.

ASBDC needs to follow-up with Michael Chodis on the OMB response regarding client confidentiality, surveying clients and financial exams. Tee will follow-up. As client data will be using the same private and public data access. SBA can access data for two purposes. Clients can also execute waiver to disclose data, SBA wants details of financing secured for client to market SBA according to Michael Chodos.

Chodos mentioned a meeting with the three SBA resource partners, what works, what does not work and sharing of ideas. It will be March 5, 6, &7 in DC. Office of Field Ops will be involved. He indicates the goals are to discuss impediments and working together. He claims technology to do this is in place. Board's concern is that each of the partners has different markets and impact and we need to make sure we maintain positioning through all of this; you need a local approach concern that invites might not have the same relationships. We need to point out our differences but work together.

Veterans Initiative - Ways to improve TAP. Need to have meaningful discussions with VA, training, workforce and entrepreneurship. Problem in Tap is between DOD and VA. Need an ongoing process to refashion Tap. Chodos hopes to find staff with entrepreneurial training pilot at 4-5 bases, with army, airforce and navy. Marines' discussion going on with

Syracuse U. Discussion of on-line training boot camps. Looking at various models as soon as budget is released Chodos will get back to us for further discussion. SBA will await additional feedback from ASBDC on Tap approach and participation. Tee will follow up with SBA.

Duplication of Impact surveys. ED report results discussion about how they are presented. Allen indicated we need to explore the survey methodology. SBA longitudinal study versus the SBDC impact. Get a group together, we need one survey asking the right questions. We can't be held hostage by the researchers. Chodos recommended putting together a task force to discuss a plan to consolidate the two surveys,

FKM: Larry, Mark Kline, Robert Heitz.

Goal: to raise the visibility of the overall association and master brand the association as well as raise the visibility of the network as a whole. Approach alliances.

Phase one saw clear lacking of linkage between ASBDC and where we need to be. Our current name in key words is not strong; Need to rise the visibility suggesting

AMERICAS SBDC. Brand vision.

Next FKM looked at taglines - descriptive verse aspirational. Survey conducted. There are several options to present to the membership. It was agreed that Tee and FKM will conduct a state director's call to update the membership and seek feedback on branding approaches, a timeline and deployment working in conjunction with the marketing committee. Tee will distribute the FKM PowerPoint to all State and Associate Directors and arrange the call.

Next step set up a separate call webinar to discuss. Questions asked about the cost to implement. Traffic comes through the ASBDC website and we want to drive customers to the local sites. Unified brand approach seemed to be the easiest to get our hands around we will review the options at spring meeting. Will hold the webinar prior.

Ray Laughter Vice Chancellor Lone Star College:

Gave a presentation of his system and described how SBDC could collaborate with community colleges around workforce, economic development issue as well as cross referral. Tee will meet with the community colleges in DC the follow-up with the Board

Wrap up/Old Business Agenda discussed today:

We need to calibrate the action steps discussed today. The liaisons communication needs to be improved. AL will compose a document listing board roles and responsibilities. Marc will update and align action matrix assignments to board liaisons. All Board liaisons should review the action matrix strategies that need attention and get back to Marc before the next Board call on February 13th with updates. We have many new Directors and need to introduce to them who people are. Tee will introduce new State Directors and ASBDC staff and a briefing about their roles at the spring meeting.

The New Directors training is now open to associates every 2 years. Jim Gantt of Missouri is in charge of the technology certification group. Lyle Wright will chair the task force for core competencies. A webinar will take place sponsored by LoSec to assist staff with Capitol Hill visits on February 7, 2012. Gayle indicated Jacob Speck is replacing Jeff Heinzmann. Jim Heckmann reported that little has been done with Ag group. Diane Howerton indicated in discussions it was decided that there be two individual interest groups one for minorities and one for women. Jesse Torres will lead the Minority Interest group and Priscilla Lopez the Women's group.

Discussion took place around accreditation issues. How do we get out and help colleagues, we need to find better way to mentor state directors. Some still see accreditation as too prescriptive. We also need to deal with leadership succession plans in light of the turnover and upcoming departures in the next few years. Discussion took place about how long individuals are appointed to the committee. Mike said initially it's for 3 years but Mike does not want to lose experienced folks so rotation is now at will. Beth Melnik is the new Vice Chair as Marc King stepped down last year. At the March meeting both Mike and Beth will teach the session for SBDCs. Beth will take over in the fall. Mike will post best practices and common accreditation conditions on the website to inform members.

Regarding the March SBA resource partners meeting - Board agreed that Tee will try to get a list of attendees and their roles. Prepare a presentation and designate a presenter, confirm date March 5, 6 and he will communicate back to the Board.

Action item** Tee will repackage client attribution to membership to clarify purpose and approach with a long term timetable to complete.

Allen Adams indicated at the last meeting that he did not see Louisiana listed in the communication matrix and then someone should check it out and add them back in. Diane Howerton volunteered to take them on.

Board also discussed the status of the collection of data by congressional district and payment disposition to members of the ASBDC it's around \$62,000 and not currently in the budget. Board will address on the next call.

Motion to Adjourn offered by Jim Heckman, seconded by Brett Rogers. Meeting adjourned 4:55pm