

**ASBDC Board of Directors Meeting**  
**Minutes**  
**June 11, 2012**  
**Crystal City Marriott**  
**Crystal City, VA**

Meeting called to order by Chairman Salgado at **1:02pm** Eastern Daylight Time.

Board Members present - Chairman Salgado; CEO Tee Rowe, Georgianna Parkin, Secretary; Allen Adams; Gayle Kugler; Marc King, Vice Chairman; Jim Heckmann; Brett Rogers; Mike Young, Treasurer and Diane Howerton. Jim King joined the meeting later in the day

Guests via Phone - Kristin Johnson; Carol Lopucki; Mark Petrilli; and Mark Delisle.

Guests in Person - Christian Conroy, Jerry Cartwright

The Chairman went over the agenda. Board members suggested other discussion points including the joint meeting with SBA (Michael Chodos and Nancy Gilbert) and the Boots2 Business, LA idea and AARP initiatives.

**Approval of May 2012 Minutes** – Approval of the minutes was moved by Jim Heckmann and seconded by Gayle Kugler with several minor corrections. Minutes will be revised to reflect those corrections. Minutes-were then approved by acclamation.

SBA Report - Michael Chodos discussed the “Boots 2 Business” initiative indicating three joint efforts/ pilots are currently taking place and SBA will seek to ramp the program up nationally eventually. The program deals with TAP (Transition Assistance) in the last six months of military service by individuals getting ready to exit the military. The goal is to stress and showcase all benefits available to veterans. Optional tracks will be established tied to Higher Ed, workforce development and entrepreneurship. SBA will be involved with the entrepreneurial track. Currently there is no funding now for this initiative. When funding becomes available SBA will participate. Currently there are 4 pilot projects with the Marine Corps at 4 bases using SBA resource partners. SBDCs, SCORE chapters and WBCs are participating in cooperation at these sites. Michael Chodos and the Office of Entrepreneurial Development will put together some basic entrepreneurship materials regarding lessons learned. He wants to have both core and optional tracks and will be meeting with the DOD entrepreneurship task force to discuss entrepreneurship as an optional track. He has been pushing the conference committee for funds for the initiative. The basic premise is that twenty year olds exiting the military need information on entrepreneurship. Michael discussed an existing 8 week on-line course addressing entrepreneurship skills needed to start a business. He is pursuing development of materials along the Syracuse U. boot camp model. His desire is to deploy several models. It was pointed out that many individuals many are seeking initial funding for their ventures and it is a tough environment to secure funds.

Michael feels that approximately 250,000 individuals will go through the TAP program in the next year or two. They estimate that 20%-25% of those would be exploring business options.

Supplemental funds were discussed as an option for funding for the initiative. It was also suggested that individuals completing the program receive an invite and information on how and where to connect with SBA resources for future assistance. It was stressed that funding is needed to move ahead with the initiative and we do not want funding coming out of SBDC core funds. Michael believes this need to be addressed at the executive level. The president's budget proposed 7 million for veteran's entrepreneurship based on Syracuse boot camp model. Serious expansion of the model will require additional funds. The curriculum is posted on SBA website.

Michael next discussed The Latin American Idea Partnership (La Idea). It is a business competition platform fostering collaboration between Latino entrepreneurs in the US and Latin America with the goal of expanding innovative businesses that will generate employment and growth throughout the Americas. It will be implemented in the context of the International Diaspora engagement alliance (Idea) launched by Secretary of State Hillary Clinton. This will expand the SBDC model as a foundation for a global network. The UTSA SBDC is working with the State Department to establish a platform for SBDCs to engage as part of this effort, perhaps using a team concept. Countries in Latin America like El Salvador are very interested in exporting to the US. The usual problem was discussed, SBDCs need funds in order to support/facilitate all of this. We have to be sure this does not become an unfunded mandate. The State Department is trying to get funding for this. ASBDC, SBA and the State Department are trying to understand the SBDC capacity to engage in the project and what the model may look like to carry it out.

Start Young entrepreneurship program was discussed next. Using NYSSBDC platform the department of Labor is conducting pilots in several states. In each area one of SBA resource partners is taking the lead between SBDC, WBC and SCORE. We will be following the progress and Labor hopes to expand.

### **Chairman's Report - Al Salgado**

**1.) EDMIS - Jim King, Mark Petrilli and Holly Shick are working with the various vendors to develop a scope of services to contract out. Current vendors such as Center IC and WebCats can bid on the project.**

**2.) National Impact Survey-SBA is ready to discuss and talk about the ASBDC conducting the survey using our structure to quickly address data collection, client definitions and other issue. There have been initial discussions with Jim, Mark and Ann on the study. Concerns were expressed that IT people/vendors are making policy decisions during these discussions. It was stressed that we need to control the survey intent and what we are attempting to measure or the results will lose their original intent i.e., what we are trying to measure. Discussion centered around potential for conflict between the two vendors.**

## **President's Report / Legislative Update -**

**1. There is a program income issue particularly in NH where the school is taking indirect out of the program income revenue. Ann Bradbury will issue a memorandum to all SBDCS to clarify the policy on this issue, it is not allowed.**

**2. Ann reinforced to Tee that it is SBA policy that all state directors' vacancies must conduct a national search. SBA can only concur but not dictate the selection. Or search process. Some discussion was held regarding the grounds for such a policy pronouncement, national searches can be time consuming and not necessarily add to process.**

**3. Senate Appropriations Subcommittee on Financial Service is marking up their bill soon based on conversations with committee staff. The House does not have a schedule for a final vote but the House draft bill recommended \$112.5 million this is \$11.5 million more than the SBA recommendation. There will also be a sequestration issue. If we go into another continuing resolution the funding is flat until the final budget figure is approved. This year the structure of the House bill is different and not the usual language. There is not a certain amount dedicated for each non-credit program. He feels the language is improved for the SBDC but is not sure how the House will deal with the CR or any rescissions down the line. Tee has been emphasizing that unauthorized projects should be cut first. He envisions OMB just addressing the President's budget. If the deal is not stuck before Christmas it would not happen until after next January. The Senate is making tough decisions on low priority and performing projects so the CR may be extended until next March. There could be further grid lock depending on how the elections are decided. In addition huge changes to the tax code are going to complicate the situation. The actual reduction for domestic programs would actually be 7-8% since much of savings will come from interest adjustments, etc. A problem will be if Congress (Appropriations subcommittees) does not drive the reductions but instead allows the Executive Branch to take charge. If 10% is taken out of SBA it could be left in the hands of OMB and the Administrator. Tee feels accounts should be segregated so that credit programs and non-credit program funds are not commingled in the budget reduction process. He and Laurie will continue to talk with staff to get a feel as to where sequestration is going; The House does not want to give up their ability to make decisions for the Financials Services committee budget. He suggests we reach out to our federal delegations at the local level through town hall meetings etc. Board discussed wanting an action plan from Laurie and Tee to tell how to address the issue.**

**Tee again mentioned the SBDC state director search policy. This is in the program announcement. Essentially, the DD has a right to object with the proposed selected candidate and the AA/OSBDC has to concur. Tee also mentioned that the startup bill Senator Moran proposed is not technical assistance oriented but immigration (H1B,**

**STEM) driven. There will be some changes in SBIR legislative language relative to stem cell research.**

### **Financial Report - Mike Young**

**There are numerous annual ASBDC dues payments still owed to the Association. He also stated he is worried about the Prodecx account receivable. Tee indicated that the Prodecx accounts were frozen for several reasons (IRS) and that now should be corrected and he expects payment. Mike Young also asked about funds owed to the Association by the Foundation and when they might be paid. Donna indicated that Citi has not sent in all moneys due but, once they are received the Foundation could pay back a portion of the funds owed. She also indicated some additional sponsorship will be coming in. Mike indicated there were no extraordinary expenditures - salaries, rent. Other costs expended are within normal ranges.**

### **Accreditation Report-**

**The committee will meet in New Orleans on Sunday and will invite Michael Chodos. Based on the motion approved at the March meeting a task force has been appointed provide a written report with recommendation to Mike Young. They interviewed 12 state Directors concerning a proposed change in the accreditation review cycle. Several were vocal towards lengthening the duration from the current four year cycle. He mentioned that we are out 5 years now by default of the current SBA contract. Mike will provide the board with a report. He did state that ultimately this is SBA's decision.**

**Betsy Kaufman then joined the meeting for a conference committee discussion.**

**2012 New Orleans**

**2013 Orlando (Peabody)**

**2014 Gaylord Grapevine Texas**

**2015 is still under discussion,**

**2016 Orlando (Peabody)**

**2017 Gaylord (Nashville)**

**A discussion took place about possible sites for 2015 conference: such as the Manchester Hyatt which is still under \$200 a night. Sites in San Francisco, San Diego and Long Beach were discussed. Betsy stressed that we need a hotel large enough to accommodate our attendees which restricts our options. It has to have over 1,300 rooms. There was discussion about multiple hotel, small convention center locations. General opinion was that attendees prefer to stay on site and not be spread out across numerous hotels. She stated the web site is up for registration and room reservations. State Directors will need to make their own reservations. She will only be making them for the Board. The rates are \$178 a night and \$213 for the club level with access to the club room. The Board meeting will be on Monday with**

**the opening reception Wednesday. State Star event will be Tuesday evening. The Wall Street Journal may be a sponsor and will build them into the program. (Deal 95% complete). This will help to raise SBDC image**

## **Old Business**

**Action Matrix: Marc King**

**Need to appoint a stakeholder advisory board. We also need to appoint an historian for ASBDC. It was suggested that Dan O'Grady gather data and historical facts for a document detailing history and highlights of the ASBDC. For board feedback.**

**Kristin Johnson will email update for New State Directors committee  
Rod Hollenstine discussed expanding the conference curriculum to incorporate core competencies and International; trade as required by accreditation.**

There was a brief discussion about client verification and how states handle it. We need to make sure everyone has basics down.

There was also a brief discussion of Board elections and the elections committee. There 8 nominees for four (4) vacancies from all SBA regions except Region Three.

Tee will send out an updated Foundation memo to the membership.

Marketing and Branding effort-Jacqueline Taylor will present the Marketing committee's report tomorrow with Julianna Barbee from Arizona (on the phone) for discussions on strategies and options.

Laurie will reopen the Chemonics survey on line for folks to respond

## **New Business**

**Info Group- Jim Heckman indicated that 6 state directors met with them. The point of the project is to provide the group with data so they can follow the survival rate of clients over 5 year period. They will be able to track employment and sales data and other relevant information on the businesses. It was mentioned that the client may need to provide permission if their names are handed over. Jim Heckmann and Tee will jointly clarify legalities and client confidentiality issues on the initiative and update the Board.**

**Jobs Act- There is language to help small business pursue "crowd funding". The ASBDC will pursue providing webinars for advisors to raise awareness on this as well as pitfalls and benefits. These should be complete in the next several weeks.**

**Accreditation succession plan. Beth Melnick is now the Vice Chair. Mike Young will step down as Chair on 12/31/12. He will remain on the committee one more year**

through the transition of the new chair. In the Fall he will recommend 2-3 successors.

Mike also mentioned the 16 week technology commercialization certificate program in Texas. Currently 50 enrollees, 37 from Texas and some from other states. Mike is investing in on-line database training. This program is comprised of 4 modules with an exam after each module. He indicated that there were weaknesses in prior programs in that there were no standard curriculum, He is exploring how much of this training can be done on line. He also indicated Jim Gann said there is no consensus right now about how to conduct the testing.

Conference committee Rod Hollenstine -

Mentioned that Accreditation has identified core competencies elements for technology accreditation.

Jerry Cartwright has two International partners who want to become associate members and questioned how we deal with this. Provide a discount for registration for conference? Perhaps \$100? In the future this should be decided as there will be more international partners wanting to become associate members.

Betsy then discussed the upcoming spring meeting in 2013 in DC and potential sites. She is exploring an alternate hotel to the L'Enfant Plaza which is going up in price. There was also discussion about moving the meeting dates of the March meeting to later in March or early April. Problem is avoiding timing with spring school trips and securing competitive rates. On the next board call we will discuss feedback dates, room rates, availability etc. Meeting will start tomorrow at 9:00am to discuss marketing/branding.

A motion to adjourn was offered by Marc King. It was seconded by Mike Young and approved by acclamation and the meeting adjourned at 5:13pm.