

Minutes

Board of Directors Meeting

Association of Small Business Development Centers (ASBDC)

November 23, 2004

By Conference Call

Board Members Participating: Scott Daugherty (Chairman); Don Wilson (President); Georgianna Parkin (Vice Chair); Henry Turner (Treasurer); Roy Miller (Secretary); Carol Lopucki; Carmen Marti; John Massaua; Mark Petrilli; Clinton Tymes.

Others Participating: Jerry Cartwright; Bob Hamlin; John Hemmingstad; Brian Johnson (Florida SBDC); Walter Kearns; Mike Myhre; Jon Ryan; Herb Thweatt; Mike Young; Dan O'Grady.

Call to Order: The meeting (by conference call) of the Board of Directors was called to order at 1:00 p.m. (Eastern Time) by Chairman Scott Daugherty on Tuesday, November 23, 2004.

Approval of Minutes of November 8 & 9, 2004: Henry Turner moved that the minutes of the meeting of the Board of Directors on November 8 and 9, 2004, be approved. Mark Petrilli seconded the motion, and the motion passed by voice vote.

Treasurer's Report: Treasurer Henry Turner reviewed the Association's financial statements and reported that the financial position of the Association is sound.

EDMIS and Client Confidentiality: Mike Myhre (new Chairman of the ASBDC EDMIS Committee) and Brian Johnson (former Chairman of the ASBDC EDMIS Committee) updated the Board on the status of EDMIS. The SBA has postponed implementation of EDMIS until Fiscal Year 2006, and the SBA is now working to develop a re-configured EDMIS (EDMIS 2). Mike Myhre and Brian Johnson reported that the SBA has issued new data requirements, which the SBA says are not negotiable. The SBA wants SBDCs to give the SBA the company names of all SBDC clients who are already in business. This would violate client confidentiality, particularly for sole proprietor businesses, whose company names are the same as the owners' names. Don Wilson noted that the new client confidentiality law (which was enacted as part of the new SBA Reauthorization legislation) protects the confidentiality of the company names of SBDC clients, and under the new law SBDCs cannot divulge that information to the SBA.

Motion: John Massaua moved that the ASBDC continue to take the position that SBDC client confidentiality is a priority of the SBDC network; that the disclosure of SBDC clients' company names to the SBA would violate client confidentiality; and that the ASBDC opposes the SBA's request for clients' company names because it violates client confidentiality. The motion was seconded by Roy Miller and passed by unanimous voice vote.

Motion: John Massaua moved that the ASBDC Board of Directors recommend to the membership that SBDCs should not provide clients' company names to the SBA if

requested, because such a disclosure would violate SBDC client confidentiality. The motion was seconded by Henry Turner and passed by unanimous voice vote.

Chairman Daugherty stated that Don Wilson and he would draft a letter to the SBA, restating the SBDC's legal obligations to protect client confidentiality and the need for full discussion between the SBA and the ASBDC in the development of data requirements and EDMIS. Chairman Daugherty and Don Wilson will review the letter with Mike Myhre and Brian Johnson of the EDMIS Committee before it is sent.

President's Report: Don Wilson reported on the following:

1. Appropriations and Reauthorization legislation -- Don Wilson reported that the Omnibus Appropriations Act for FY 2005 had been passed by Congress. The legislation provides \$89 million for the nationwide SBDC network in FY 2005, minus an across-the-board cut of 0.8% (applicable to all domestic discretionary programs funded in the legislation), a rescission of 0.54% (applicable to all discretionary programs in the Commerce-State-Justice and Related Agencies section of the legislation), and earmarks for the Defense Transition program and the South Carolina WBC. Under this appropriation, state and regional SBDCs can expect level or slightly increased Federal funding in FY 2005, compared to FY 2004. The Omnibus Appropriations Act also included SBA Reauthorization legislation, which provides SBDC client confidentiality protections and increases the authorized funding level of the SBDC program.
2. Meeting with National Association of Manufacturers (NAM) -- Don Wilson reported that Dan O'Grady and he met with staff of the NAM, to discuss SBDC manufacturing assistance. Chairman Daugherty asked members to try to identify NAM members in their client success stories.
3. Input on ASBDC website re-design -- Don Wilson asked Board members to provide their views on the suggested ASBDC website designs presented by the ASBDC staff.

Chairman's Remarks: Chairman Daugherty made the following remarks:

1. Thanks regarding appropriations and reauthorization -- Chairman Daugherty thanked all who helped with the passage of the FY 2005 appropriations legislation and the Reauthorization legislation.
2. Monthly meetings with Antonio Doss -- Chairman Daugherty stated that Don Wilson and he have been meeting monthly with Antonio Doss (SBA Associate Administrator, Office of SBDCs). He noted that the meetings have been helpful in building the partnership between the SBA and the SBDCs.
3. Antonio Doss visiting SBDCs -- Chairman Daugherty informed the Board that Antonio Doss is interested in visiting SBDCs, and the Chairman asked Board members to let Mr.

Doss know of such opportunities. It was suggested that Mr. Doss be invited to observe accreditation reviews.

4. Holly Schick moving to SBA -- Chairman Daugherty informed the Board that Holly Schick has accepted a position at the SBA as Deputy Associate Administrator in the Office of Business and Community Initiatives. He stated that he would like the Association to assist the Ohio SBDC host institution with the state director succession process.
5. Calling tree -- Chairman Daugherty asked Board members to make calling tree contacts.
6. MEP Center Directors Meeting -- Chairman Daugherty informed the Board that the MEP Center Directors are holding a meeting on January 12 and 13, and officials at NIST-MEP would like SBDCs that have worked with their MEP counterparts to participate in the MEP Center Directors Meeting.
7. Meeting with Advanta -- Chairman Daugherty stated that Don Wilson, Donna Ettenson and he would be traveling to Philadelphia for a meeting with officials of Advanta.
8. Inviting SBA officials to regional ASBDC meetings -- Chairman Daugherty encouraged Board and Association members to invite SBA officials to regional ASBDC meetings.

SBA On-Line Counseling Pilot Program: The Board discussed the SBA's request to conduct an On-Line Counseling Pilot Program with interested SBDC networks. It was noted that discussions with the SBA about the pilot program revealed significant differences between the SBA's and the SBDCs' views on how to conduct such a program.

Ernst & Young Entrepreneur of the Year Award: Carmen Marti informed the Board that she had participated in an Ernst & Young Entrepreneur of the Year Award event. She noted that the event was well attended by major organizations such as the Kaufmann Foundation and Microsoft. She suggested that the ASBDC should consider working with Ernst & Young on the event, for example, by referring nominees for the award and/or sponsoring the event.

Governors Associations: Vice-Chair Georgianna Parkin urged the Board to work with the state governors' associations in support of the SBDC network's efforts.

Adjournment: John Massaua moved that the Board adjourn the meeting. The motion was seconded by Carmen Marti, and the motion passed by voice vote. The meeting was adjourned at 2:30 p.m. (Eastern Time).

Next Meeting of the Board: The next meeting of the Board will be held by conference call on Tuesday, December 28, 2005, at 1:00 p.m. (Eastern Time). The Board will also hold a meeting on January 18 and 19, 2005, in Fort Lauderdale, Florida. Regular meetings of the Board are held by conference call on the 4th Tuesday of every month at 1:00 p.m. (Eastern Time).

Submitted by Roy Miller, Secretary, ASBDC