

Minutes
Spring Meeting of the Membership
Association of Small Business Development Centers (ASBDC)
Alexandria, Virginia
February 28, 2006

Call to Order: The meeting of the membership was called to order by Chairman John Massaua at 8:30 a.m. on Tuesday, February 28, 2006, in Alexandria, Virginia.

Proxies: Board Secretary Miller received the following notifications of proxies:

- Clinton Tymes gave his proxy to Barbara Necarsulmer;
- John Lenti gave his proxy to Francis Heape;
- Mary Collins gave her proxy to Janice Kitchen;
- Roy Miller gave his proxy to Duane Fladland.

Approval of Minutes: Greg Higgins moved that the minutes of the Membership Meeting of September 7, 2005, be approved. Liz Klimback seconded the motion and the motion passed by voice vote.

Financial Report: Treasurer Carmen Marti reviewed the Association's financial statements and reported that the Association's financial position is sound.

State of the Association: Chairman Massaua and Don Wilson presented a State of the Association report. The slides from the presentation will be posted on the Association's web site.

Accreditation of Institutions of Higher Education: The membership discussed a suggestion to amend the Small Business Act to require that, in the future, new SBDC grantees that are institutions of higher education should be accredited. The suggested amendment would grandfather the one SBDC grantee that is an institution of higher education and is in the process of obtaining accreditation. The membership strongly supported the suggested amendment.

Update and Review of Committee Activities: Al Salgado presented an overview of the structure and work of the Association's committees, taskforces and interest groups, using an organizational diagram prepared by Carol Lopucki. Al Salgado's presentation and Carol Lopucki's diagram related the work of the Association's committees, taskforces and interest groups to the Association's goals.

1. Goal: To Strengthen Association Management

- Accreditation Committee: Committee Chair Darryl Mleynek updated the membership on the work of the Accreditation Committee. He stated that the Committee expects to conduct 17 reviews during 2006. He stated that the Committee has increased its training activities because 44% of its members are

new to the Committee. He stated that the Committee has increased its geographical diversity by adding members from the West Coast. He stated that the Committee has adopted a code of ethics; created a mentoring program; instituted a new member selection process; and revised the self-study guide. He also stated that the Committee has committed itself to a revision of the accreditation standards. He stated that the Committee conducted a confidential survey of 29 state/regional directors whose programs were reviewed during 2004 and 2005. The survey showed that, of the 25 respondents, 88% agreed or strongly agreed that the accreditation process is fair, and 84% agreed or strongly agreed that the accreditation review was a positive learning experience.

- Marketing Committee: Committee Chair Christian Conroy updated the membership on the work of the Marketing Committee and the marketing plan developed by the Committee. He stated that the Committee has proposed three priorities to the Board of Directors: (1) Promoting the Association's accreditation requirement through press releases about newly accredited networks; (2) promoting success stories and network profiles according to a monthly calendar of themes; and (3) developing a monthly communications vehicle for all SBDC staff throughout the nationwide SBDC network. Chair Conroy noted that implementing these initiatives will require additional resources.

- Operations Committee: Committee Chairman Mike Young updated the membership on the work of the Operations Committee. He stated that members of the Operations Committee and the ASBDC leadership had an encouraging meeting in January with SBA personnel (including the Office of SBDCs; Field Operations; and district directors) on the subject of goaling. He stated that there was general agreement during the meeting that: (1) goaling should be changed to focus on outcomes rather than outputs; (2) goaling should be calculated on the Federal investment in the SBDC program; and (3) the negotiation of goals should be local, between each SBDC network and SBA district director. He stated that SBA asked the ASBDC to identify (a) leading indicators that the resources of the SBDCs are being used to create economic impact; and (b) a lagging indicator that represents return on Federal investment. He stated that there was agreement that the Chrisman report can be used as the lagging indicator for return on investment, since it has historically calculated ROI. He also stated that the Operations Committee would recommend to the Board and the membership the following leading indicators: (1) new capital infusion; (2) new business starts; and (3) clients with more than five ours of assistance (including counseling, training and research).

- EDMIS Committee: Committee Chairman Mike Myhre updated the membership on the implementation of EDMIS II. He stated that there are still concerns about EDMIS II, though the system has worked thus far. He stated that the Association's top priorities for the improvement of EDMIS II are: (1) improving program definitions; (2) improving EDMIS report design and access; and (3) addressing the yearly uploading "lock-down."

2. Goal: To Strengthen SBDC Leadership

- Professional Development and Education Committee: Committee Chair Liz Klimback updated the membership on the work of the Committee. The Professional Development & Education Committee has three subcommittees: Conference Organization; Leadership Development; and Professional Development & Other Education. Chair Klimback reported on planning for the ASBDC Conference in Houston in September, and she asked the membership to recommend exhibitors and sponsors for the event. She also asked members to be sure to name their networks' state stars (one per state/regional network). She stated that Clinton Tymes is chairing the Subcommittee on Leadership Development. In that capacity, Clinton Tymes will be planning leadership development activities for veteran state/regional directors, and he will be working with Kelly Manning and Mike Myhre on the training for new state/regional directors and associate directors in Houston. Liz Klimback also stated that the sites for the Association's conferences in future years have been selected as follows: Denver in 2007; Chicago in 2008; San Antonio in 2010; and San Diego in 2011 (the site for the conference in 2009 has not been chosen).

3. Goal: To Broaden Political Engagement

- Legislative Committee: Committee Chair Bill Carter updated the membership on the work of the Legislative Committee. He described the development of the nationwide network of Legislative Liaisons (one per SBDC network) and Legislative Communicators (one per Member of Congress). He discussed the Committee's efforts to encourage SBDC networks, hosts, allies and clients to write to lawmakers. He stated that the Committee established three subcommittees, including: (1) the Education Subcommittee, chaired by Becky Naugle, to develop educational information and opportunities for network members; (2) the Best Practices Subcommittee, co-chaired by Lisa Ruckdeschel and Christine Martin-Goldsmith, to promote legislative outreach best practices throughout the nationwide network; and (3) the Bills and Initiatives Subcommittee, to increase the network's support for specific SBDC legislation such as the Regulatory Assistance bill, the Vocational Entrepreneurship bill, the Native-American Small Business Assistance bill, and the Second-Stage Small Business Development bill.

Motion: Doug Gurley moved that every SBDC network commit to putting the Association's legislative outreach effort into action by: (1) designating a Legislative Communicator for each of the network's U.S. Senators and Representatives, and submitting the names of those legislative communicators to the Chair of the ASBDC Legislative Committee by March 24, 2006; and (2) obtaining at least one client letter to each of the network's U.S. Senators and Representatives every three months, with the first letter to be sent by April 14 and confirmed by the network's Legislative Liaison.

The motion was seconded by Wally Kearns and passed by a vote of 34-0, by show of hands.

4. Goal: To Broaden Membership Engagement

- Network Engagement Committee: Committee Chair Jacqueline Taylor (University of Houston SBDC Network) updated the membership on the work of the Network Engagement Committee. She stated that the Committee is developing a list of membership benefits and a membership database that includes areas of expertise and other information that can be used by network members across the nation.

SBDCNet: SBDCNet Director Deborah Schueneman updated the membership on SBDCNet. She stated that SBDCNet has developed the Associate Directors Toolkit, and she urged associate directors to use and contribute to the content of the Toolkit. She stated that SBDCNet has an online training portal, which ties clients to the web sites of SBDCs across the country. She reported that the SBDCNet web site had 23 million visits during the previous year, and she stated that the SBDCNet web site was rated by Google as the sixth most popular web site in the small business and media category.

Remarks by Jacqueline Sierodzinski of the Senate Small Business Committee: The membership welcomed Ms. Jacqueline Sierodzinski, Professional Staff Member of the U.S. Senate Committee on Small Business and Entrepreneurship. Ms. Sierodzinski spoke to the membership about the legislative process and small business legislation being considered by the Senate.

Counselor Certification: The membership discussed the Association's plans to develop a counselor certification program. Some members stated that any decision to require counselor certification as a part of the SBDC accreditation process should be made by the entire membership.

Motion: Janet Roderick moved that any proposal to require counselor certification as a part of the SBDC accreditation process must be brought before the full membership as a stand-alone motion for a vote by the membership, and may only be implemented with the approval of the membership. The motion was seconded by Greg Higgins and passed by a show-of-hands vote of 24 ayes, 6 nays and 5 abstentions.

Draft Proposed Amendments to the ASBDC Bylaws: The membership reviewed and discussed draft proposals to amend the Bylaws of the Association as follows: (1) to make the elected chairperson of the associate state/regional directors group an ex-officio, non-voting member of the ASBDC Board of Directors; and (2) to change the length of the terms of ASBDC Board members from two years to three years. Chairman Massaua stated that any vote on the draft proposed amendments would not take place until the Association's Membership Meeting in September, 2006, in Houston.

ASBDC Presentation to the White House Office of Management and Budget: Chairman Massaua, Don Wilson, Scott Daugherty and Greg Higgins reprised for the membership the presentation that the Association made at the White House Office of Management and Budget (OMB) on February 16, 2006. Chairman Massaua thanked Carol McLaurin (North Carolina SBTDC) for her assistance in the presentation to OMB. He thanked Cheryl Mills (SBA Associate Deputy Administrator for Entrepreneurial Development) and Steve Galvan (SBA Deputy Administrator and Chief Operating Officer) for arranging the meeting with OMB. Issues covered in the presentation to OMB included: (1) mission and purpose of the SBDCs; (2) services and scale of the SBDC program; (3) SBDC partnerships and leveraging of Federal resources; (4) job creation and ROI; and (5) performance measurement.

SBA: The membership welcomed guests from the SBA, including Cheryl Mills (Associate Deputy Administrator for Entrepreneurial Development); Antonio Doss (Associate Administrator, OSBDC); Jean Smith (Deputy Associate Administrator); and Leigh Ann Oliver (Policy Advisor to Cheryl Mills). The guests from SBA discussed the following issues.

SBA Program Reviews and Financial Examinations: SBA wants to improve program reviews and financial exams. The agency plans to move to risk-based financial exams, and it has contracted with an outside firm to conduct financial exams.

Goaling: SBA wants to improve its goaling system and move to goaling that is focused on outcomes.

SBA Regulations: SBA plans to update its regulations this year.

EDMIS: The EDMIS II system is now operational, and the next step will be working on reports.

Chairman Massaua noted that it cost the nationwide SBDC network hundreds of thousands of dollars to change over to the new EDMIS II system, and he urged SBA to keep costs in mind as it continues to work on EDMIS issues. Cheryl Mills stated that she plans to hold meetings at SBA with Entrepreneurial Development partner programs to talk about program definitions and EDMIS.

Adjournment: Henry Turner moved that the meeting be adjourned. The motion was seconded by Doug Gurley and passed by voice vote. The meeting was adjourned at 5:00 p.m. (Eastern Time) on Tuesday, February 28, 2006.