

Minutes
Board of Directors Meeting
Association of Small Business Development Centers (ASBDC)
March 3, 2007
Alexandria, Virginia

Board Members Participating: Mark Petrilli (Chairman); Don Wilson (President); Jody Keenan (Vice Chair); Henry Turner (Treasurer); Al Salgado; Bill Carter; Mike Myhre; Becky Naugle; Barbara Necarsulmer.

Others Participating: Doug Gurley; Liz Klimback; Mike Young; Donna Ettenson; Dan O'Grady.

Call to Order: The meeting was called to order by Chairman Petrilli at 8:00 a.m. on Saturday, March 3, 2007.

Approval of Minutes: The Board reviewed the draft minutes of the Board meeting held on February 20, 2007. Jody Keenan asked that the draft minutes be amended to reflect that Scott Daugherty and Sam Males were among the state directors who wrote the six issue papers that were endorsed by the Board on February 20. Al Salgado moved that the minutes as amended be approved. Mike Myhre seconded the motion and the motion passed by voice vote.

Financial Report: Treasurer Henry Turner reviewed the reconciled financial statements for January and reported that the financial condition of the Association is sound.

Auditor's Presentation: The auditor hired by the Board of Directors (Mr. Steven Collins, account executive and partner in the Virginia CPA firm of Murray & Cavanaugh, PC) presented the Association's audited financials for Calendar Year 2006. The auditor gave the Association an unqualified audit opinion, which is the highest audit opinion possible.

Chairman's Remarks:

Program Announcement: Chairman Petrilli stated that the ASBDC Operations Committee expected to review the SBA's second draft of the Program Announcement when it became available to them on Monday, March 5. Further discussions between the ASBDC and the SBA Office of SBDCs were scheduled for Wednesday, March 7.

Definitions: Chairman Petrilli stated that SBA decided not to include the SBDC counselor's preparation time in the definition of a "long-term" counseling client in next year's Program Announcement. However, SBA agreed to use the term "extended engagement" client to describe clients that have five or more cumulative hours of counseling over their lifetimes, in order to differentiate such clients from "long-term" clients as defined in the Chrisman Report.

SBA "Myth vs. Fact" Paper: The Board discussed a paper issued by the SBA Press Office staff entitled "SBA FY 2008 Budget Proposal: Myth vs. Fact." It was stated that the paper indicates an unwillingness by SBA to acknowledge that declining funding for small business programs is resulting in declining services for small businesses and aspiring entrepreneurs. It was also stated that the paper indicates an unwillingness to recognize the crucial role of Federal funding in leveraging resources from state, local and private-sector partners for small business programs.

President's Report:

Meeting with NFIB: Don Wilson reported to the Board on his meeting with the new president of the NFIB. He stated that he had been invited to a follow-up meeting to be held during the week of March 12.

Renewal of MOU with the U.S. Forest Service: Don Wilson reported to the Board that the U.S. Forest Service wants to renew its MOU with the Association, and the Board agreed that the MOU should be renewed.

Website Update: Don Wilson updated the Board on the status of efforts to improve the ASBDC website.

Staffing Update: Don Wilson updated the Board on the search for a part-time communications person.

Report on ASBDC Reserve Account: Don Wilson discussed with the Board a report on the ASBDC reserve account from Citigroup-Smith Barney.

Conference Update: Liz Klimback, Chair of the ASBDC Professional Development Committee and the Conference Planning Subcommittee, updated the Board on preparations for the Annual Conference in Denver. She reported that the Conference Planning Subcommittee met in Denver the previous week and made significant progress in planning for the Conference. She stated that the Association received a record number of responses to the call for papers. She stated that information about the selection of State Stars would be sent to state directors in the near future.

Bill Carter asked that the Conference Planning Subcommittee share with state directors the names of people in their states and regions who responded to the call for papers, so that state SBDC networks can consider inviting those individuals to state and regional professional development events.

SBA Update: The Board welcomed its guests from the SBA, including Antonio Doss, Jean Smith, Mark Quinn and Wilma Goldstein (the new Acting Deputy Administrator for Entrepreneurial Development).

Entrepreneurial Development Impact Study: Antonio Doss stated that that SBA would soon be conducting its fourth impact study of Entrepreneurial Development programs. He stated that the request for information has been sent to SBDC state directors, and addresses are due by April 13.

Mike Young asked if SBA could delay the mailing of its impact survey, so that it would not go out while the Chrisman survey is being conducted. Antonio Doss stated that he would inquire about the possibility of a delay, to avoid overlapping with the Chrisman survey.

Program Announcement: Antonio Doss stated that he expects the Program Announcement to be sent out by the week of March 23, after the conclusion of discussions between the SBA and ASBDC.

Definitions: Antonio Doss stated that program definitions are now consistent across all SBA Entrepreneurial Development programs. Mike Young asked that the SBA consider convening

another meeting with the Entrepreneurial Development programs to continue discussing improvements in program definitions, since not all issues have been resolved.

Technology Awards: Antonio Doss stated that his office received the list of SBIR awards for 2004 and 2005, and he would like to share that information with the SBDCs to determine how many SBIR awards went to SBDC clients. This information would demonstrate the importance of SBDC assistance to SBIR applicants. Board members commented that SBDC capacity to serve SBIR applicants has depended largely on FAST grant funding. It was suggested that SBA determine how many SBDCs that served successful SBIR clients were also recipients of FAST grant funding. This information would demonstrate the important role that FAST grant funding played in the capacity of SBDCs to serve SBIR applicants.

Funding for Compliance Alliance and DeTA: Antonio Doss stated that SBA would not provide SBDC funding for the Compliance Alliance in FY 2007, because the earmark was not included in the FY 2007 Appropriations Act. As a result, approximately \$1 million dollars will be available for distribution to SBDC networks in FY 2007 that was not available for distribution in FY 2006. Mark Petrilli asked that SBA inform the network of the additional funding as soon as possible, so that SBDCs can plan accordingly. Antonio Doss also stated that the FY 2007 Appropriations Act did not earmark SBDC funding for the DeTA program, but SBA had already obligated SBDC funding for the FY 2007 DeTA grants.

No Unexpended Funds: Antonio Doss stated that there would not be any unexpended funding to distribute to the network this year.

Accreditation: Antonio Doss stated that SBA is re-visiting the question of SBDC funding in the case of an SBDC that has not been accredited. Board members noted that SBA funding for the accreditation program does not cover the full cost of the program, and more funding is needed particularly for training.

On-Line Service Delivery: Antonio Doss stated that he is planning to assemble a group of SBA and SBDC staff in April to brainstorm about ways to deliver services on-line. He also stated that SBA is thinking about holding a National Technology Leaders Summit in late May, to spotlight SBA resource partners that are in the forefront of on-line service delivery.

Financial Exams: Antonio Doss stated that SBA needs to streamline the financial examination process because of declining resources. He stated that SBA would welcome ideas from ASBDC members about ways to make the financial examination process more efficient.

Community Express Loan Program: Antonio Doss discussed with the Board various issues that SBA is considering in connection with the Community Express loan program, including the paperwork required of lenders and technical assistance providers, and the question of whether technical assistance can be provided on-line.

SBA "Myth vs. Fact" Paper: The Board's guests from SBA stated that the SBA's Entrepreneurial Development offices did not see the SBA Press Office's paper, entitled "SBA FY 2008 Budget Proposal: Myth vs. Fact," until after it was issued.

EDMIS: Jean Smith stated that SBA is developing a variety of reports that SBDCs will be able to generate from EDMIS. However, she stated that SBDCs will not be able to generate individually customized reports from EDMIS.

Bill Carter asked if SBDCs could obtain data sets from EDMIS, in order to design their own reports. Jean Smith stated that she would ask that question of the appropriate personnel at SBA.

Strengthening the ASBDC - SBA Partnership: Board members and their guests from SBA discussed their mutual interest in continuing to strengthen the ASBDC - SBA partnership. Antonio Doss stated that the Administrator wants to further integrate the SBA's various functions, and the SBDC network can play a key role in achieving that goal.

Legislative Update: Don Wilson reported that the Budget Views and Estimates letter adopted by the House Small Business Committee calls for increasing the SBDC appropriation to \$110 million in FY 2008. Dan O'Grady updated the Board on the status of a proposed bi-partisan letter from members of the Senate to the Senate appropriators in support of increased funding for the SBDC network in FY 2008.

Letters from Northwest Texas Regional SBDC Regarding Chrisman Survey: The Board discussed several letters from members of the Northwest Texas Regional SBDC Network, regarding suggested changes in the Chrisman Survey. The Board asked Don Wilson to reply to the writers of the letters, to thank them for their suggestions and to let them know that this year's Chrisman Survey will count a new sole proprietorship as a new job created.

Technology Inventory Survey Results: Bill Carter updated the Board on the results of the Technology Inventory survey. The Board discussed suggestions from Carol Lopucki, Chair of the Technology Counselor Certification Taskforce, about professional development and certification for technology counselors. The question arose about the expectations of counselors who had participated in professional development programs on technology. Becky Naugle stated that she would ask counselors from her network about their expectations. It was agreed that the Association should continue to offer professional development opportunities during the ASBDC Annual Conference. It was also agreed that the Board should hold further discussions with the Taskforce Chair.

Discussion of Long Range Goals and Objectives: The Board discussed the Association's long-range goals, as follows: (1) Acquire diversified and expanded resources for America's SBDC Network; (2) Grow a unified, engaged SBDC Network committed to high performance; and (3) Develop greater awareness of America's SBDC Network through a common message. Becky Naugle led the Board in a brainstorming exercise to further develop action steps required to achieve the goals.

Adjournment: Bill Carter moved that the meeting be adjourned. The motion was seconded by Henry Turner and passed by voice vote. The meeting was adjourned at 6:00 p.m.

Next Meetings of the Board:

- The next meeting of the Board will be by conference call on Thursday, April 26, at 1:00 p.m. (Eastern Daylight Savings Time).
- The Board will meet in Chicago on June 27 and 28.

- Regular meetings of the Board are held by conference call on the fourth Tuesday of each month, at 2:00 p.m. (Eastern Time).

New Action Items

- ① ASBDC staff will send out a state Chrisman release form so we can get state Chrisman data.

Completed Action Items from the Boards Previous Meetings

- ✓ Board members will contact their assigned committee, taskforce and interest section chairs to ask each chair to prepare a report for consideration during the Spring Business Meeting.
- ✓ Staff will place a “membership benefits” link in the appropriate place on the Association’s web site, leading to the membership benefits information developed by the Network Engagement Committee.
- ✓ Board members will ask their assigned state directors if their networks are holding events in conjunction with Entrepreneurship Week 2007.

Incomplete Action Items from the Board’s Previous Meetings

- ① Bill Carter and Mike Young will draft a document showing the need for additional accreditation funding.
- ① Board members Al Salgado, Bill Carter and Mike Myhre will propose a long-term plan for the Association’s web resources; and the Board will create a technical group of SBDC network members to consider the look and feel of the Association’s web resources.
- ① Don Wilson will create the means for committees, taskforces and interest sections to populate their web pages on the Association’s web site.
- ① Don Wilson will continue working with USASBE leaders, foundations and Bob McKinley on publishing a paper about the qualifications and role of a state/regional SBDC director.
- ① ASBDC staff, in cooperation with the International Trade Interest Section, will seek a Memorandum of Understanding with NASBITE that acknowledges the SBDC role in international trade counseling for small business and recognizes the NASBITE certification as the certification standard for SBDC international trade counselors.