

Minutes
Board of Directors Meeting
Association of Small Business Development Centers (ASBDC)
April 25, 2006
By Conference Call

Board Members Participating: John Massaua (Chairman); Don Wilson (President); Henry Turner (Vice Chairman and Acting Secretary); Carmen Marti (Treasurer); Jody Keenan (Assistant Treasurer); Carol Lopucki; Georgianna Parkin; Mark Petrilli; Al Salgado.

Others Participating: Kristin Johnson; Darryl Mleynek; Barbara Necarsulmer; Jean Wall; Mike Young; Dan O'Grady.

Call to Order: The meeting was called to order by Chairman Massaua at 1:00 p.m. (EDT) on Tuesday, April 25, 2006.

Approval of Minutes: The Board reviewed the draft minutes of the Board meeting held on March 24, 2006. Mark Petrilli moved that the minutes of the meeting be approved. Carmen Marti seconded the motion and the motion passed by voice vote.

Resignation of Roy Miller: Chairman Massaua noted that Roy Miller had resigned from the Board. He thanked Roy for his service on the Board and his work as Board Secretary during the previous one and one-half years. Chairman Massaua stated that Roy Miller's position on the Board would not be filled before the Board elections in September because of the proximity of the Board elections.

Appointment of Acting Secretary Henry Turner: Chairman Massaua informed the Board that Vice Chairman Henry Turner had agreed to serve as Acting Board Secretary (in addition to serving as Vice Chairman) until the Board elections in September.

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

@ Don Wilson will send Board members the financial statements for March as soon as they are available.

SBA Goaling: The Board discussed the SBA's request that, as part of the SBA's review of the goaling process, state/regional SBDC networks report the number of counseling clients who received five or more hours of counseling in FY 2005.

Legislation: The Board discussed the following legislative issues:

1. SBA Proposal to Use More SBDC Grant Funding for Administration --

The Board discussed the SBA's proposal (which was included in the Reauthorization and Legislative Package submitted by SBA to Congress) to increase the amount of SBDC grant funding that the SBA can use for administrative purposes. The Board agreed that the Association should strongly oppose this proposal.

2. Inclusion of Four SBDC Bills in the Reauthorization Bill --

The Board discussed the Association's position on a plan by the House Small Business Committee Chairman to include four SBDC bills (with new authorized funding of approximately \$20 million) in the SBA Reauthorization legislation that Congress will consider this year. The plan would also reduce the current authorized funding level (not the appropriation) of the SBDC program by an amount equal to the new funding authorized for the four SBDC bills, in order to make the Reauthorization bill budget-neutral. The four bills are the Regulatory Assistance bill, the Native American Small Business Development bill, the Vocational and Technical Entrepreneurship Education bill, and the Second-Stage Small Business Development bill. The SBDC program is authorized at \$135 million for FY 2006, but appropriated at \$87.9 million.

The Board discussed the benefits of this plan, which include passage of the four SBDC bills that have long been supported by the Association and the possibility of additional funding for the SBDC network to implement the four SBDC bills.

The Board also discussed concerns raised by some Association members during a Legislative Committee conference call. Board members discussed whether this plan could result, in a worst-case scenario, in a reduced authorization level for the SBDC network, without securing the enactment of the four SBDC bills. Association staff stated that this would be highly unlikely, since the Association will seek at least a level or increased authorization level for the core SBDC program in the Senate bill, and the final Reauthorization bill has to be agreed to by both the House and the Senate. Board members also discussed whether, in a worst-case scenario, this plan could result in a situation in which the SBDC program received no new appropriations but was nevertheless required to implement the four SBDC bills. Association staff stated that, in order to address this worst-case scenario, the House Reauthorization bill would include new language providing that the implementation of the four bills should not reduce the appropriation for the overall SBDC network. Association staff also stated, however, that future appropriation levels for the SBDC network are something that the Association will always have to work to protect and increase, on a continuing basis.

Motion: Al Salgado offered a motion that the Association support:

- (1) including in the House SBA Reauthorization bill the four SBDC bills that the Association has long supported (with new funding authorized at approximately \$20 million for the combined four bills), while reducing the current authorization (not the appropriation) of the SBDC program by an equal amount in order to make the Reauthorization bill budget-neutral;
- (2) adding language to the four SBDC bills stating that any appropriations for the four SBDC bills should not reduce the appropriation for the core SBDC program;

(3) seeking a level (\$135 million) or increased authorized funding level for the core SBDC program in the Senate Reauthorization bill (so that the reduction in the authorization of the SBDC program in the House bill would be recovered in the final House-Senate version of the bill); and,

(4) continuing the Association's efforts to obtain an increase in the SBDC appropriation from \$87.9 million in FY 2006 to \$110 million for FY 2007.

The motion was seconded by Vice-Chair Henry Turner and passed by a vote of seven "ayes" (Georgianna Parkin voting "aye" but with reservations), zero "nays," and one abstention (Mark Petrilli).

3. SBDC Health Insurance Information Bill Introduced by Senator Snowe -- The Board discussed the Association's position on a bill (S. 2607) recently introduced by Senator Snowe of Maine (Chair of the Senate Small Business Committee). The bill was recommended to the board by the ASBDC Legislative Committee. The bill would authorize a \$5 million, four-year, pilot grant program for SBDCs to provide information to small businesses about health insurance options. Grants of \$150,000 - \$300,000 per year would be made for this purpose to 20 SBDC networks (two SBDC networks in each of the SBA's 10 Regions).

Motion: Mark Petrilli moved that the Association support S. 2607. The motion was seconded by Al Salgado. Chairman Massaua offered an amendment to the motion, providing that the Association support S. 2607 with the understanding that any appropriations to implement S. 2607 should not reduce the appropriation for the SBDC network. The amendment to the motion was seconded by Carmen Marti. The amendment to the motion was passed by voice vote. The motion, as amended, was then approved by voice vote.

Operations Committee Update: Mike Young, Chairman of the ASBDC Operations Committee, reported to the Board that Chairman Massaua (by conference call), Jody Keenan, Don Wilson and he would meet with SBA the next day to negotiate the Program Announcement for the coming year.

President's Report: Don Wilson reported to the Board on the following.

- 1) SBDC Appropriation: Don Wilson reported on efforts to secure an increase in the FY 2007 appropriation for the SBDC network. He reported that Senators Snowe, Kerry, Vitter, Coleman, Nelson (of Florida), Landrieu, Lieberman and Levin offered a successful amendment to the Senate Budget Resolution to increase funding for the SBA, including \$110 million for SBDCs. In addition, led by Senators Snowe and Kerry, every member of the Senate Small Business Committee joined in a letter to the Senate appropriators requesting increased funding for small business programs, including \$110 million for the SBDC network.

- 2) Annual Conference: Don Wilson updated the Board on preparations for the Association's annual conference in September, stating that booth sales and other initiatives are progressing well.
- 3) Meeting with Hispanic Chamber of Commerce: Don Wilson reported that he is working to organize a meeting between leaders of the Association and the Hispanic Chamber of Commerce.
- 4) Counselor Certification: Don Wilson updated the Board on the Association's discussions with Babson College about creating a counselor certification program.
- 5) ASBDC Participation in the APTAC Conference: Don Wilson thanked Debbie Trujillo and the San Diego/Imperial Counties SBDC for staffing the ASBDC booth at the APTAC conference in California. He stated that APTAC leaders had indicated that they would like to develop an MOU with the ASBDC.
- 6) Department of Commerce/MEP: Don Wilson stated that there have been reports that the Department of Commerce/MEP may be considering the development of a business lending program.
- 7) Inter-Agency Management Assistance Working Group: Don Wilson stated that he has started participating in meetings of an Inter-Agency Management Assistance Working Group that includes representatives of the SBDCs, the MEPs, the PTACs, the WBCs, the MBDCs and the Agricultural Extension Service.

EDMIS: Chairman Massaua informed the Board that Mike Myhre had decided to resign as Chairman of the Association's EDMIS Committee. Chairman Massaua thanked Mike Myhre for his hard work on the EDMIS Committee and stated that his leadership and knowledge about EDMIS would be missed.

@ Don Wilson will ask Mike Myhre and Brian Johnson for suggestions for a new chairperson of the EDMIS Committee.

SBDCs in Mexico: Al Salgado thanked Don Wilson and Carol Lopucki for representing the ASBDC at the conference of Mexican SBDCs in Monterrey, Mexico. The Board discussed activities for participants from the Mexican SBDCs at the ASBDC conference in Houston in September.

California SBDCs Update: Kristin Johnson updated the Board on the work of the California SBDCs and the San Francisco Regional SBDC network.

Accreditation: The Board discussed the work of the Accreditation Committee. Carmen Marti noted that she had shared with the Board the Accreditation Committee's Code of Ethics. It was stated that Conley Salyer is working on the accreditation of the Texas-Northwest SBDC network.

SBA Meeting on Definitions: Don Wilson stated that the SBA plans to hold a meeting with the ASBDC on the subject of program definitions.

Nominations Committee: Chairman Massaua stated that the Association needs to form a Nominations Committee to request and receive nominations for election to the Board of Directors in September. Jody Keenan volunteered to Chair the Committee.

- @ The Association needs to form a Nominations Committee.

Action Item Review:

New Action Items From the Board's Two Most Recent Meetings

- @ Don Wilson will send Board members the financial statements for March as soon as they are available.
- @ Don Wilson will ask Mike Myhre and Brian Johnson for suggestions for a new chairperson of the EDMIS Committee.
- @ The Association needs to form a Nominations Committee.

Completed Action Items From the Board's Previous Two Meetings

- ✓ Treasurer Carmen Marti will review the final February financial statements when they are available and report to the Board.
- ✓ Board members will contact their assigned state and regional directors to inform them of the Board's decision to contract with a government affairs firm to assist the Association's legislative outreach efforts.
- ✓ Don Wilson will send an e-mail to Antonio Doss and Cheryl Mills, stating that the SBA must resolve the accreditation contract impasse before the end of March or the Association will have to elevate the issue to higher authorities.
- ✓ Chairman Massaua will find out if hotel accommodations are available in Maine for a Board meeting beginning in the morning on Monday, June 26, and ending in the afternoon on Tuesday, June 27 (so that Board members can arrive on Sunday night and leave on Tuesday night).
- ✓ An effort is to be made to include new goals in the 2007 program announcement.

Incomplete Action Items from Previous Board Meetings

- @ The Board will discuss the possible expansion of the annual fall conference.

- ① Don Wilson will share with the membership Mike Myhre's e-mail to Antonio Doss, concerning inaccuracies in the SBA's EDMIS II reports.
- ① Don Wilson will ask SBA about the ASBDC's participation in SBA Small Business Week activities.
- ① Don Wilson will schedule a conference call with ASBDC Accreditation Committee Chairman Darryl Mleynek and members of the Board to discuss accreditation issues.
- ① Board members will communicate with the committees and taskforces to which they are assigned as liaisons, to update the Board during its next meeting.
- ① ASBDC and SBA will continue discussing with OMB the value of the SBDC network.
- ① ASBDC and SBA will conduct Hill visits together with a common agenda – meeting to be scheduled with SBA Congressional and Legislative Affairs.
- ① Cheryl Mills will determine the feasibility from SBA's view of returning Portability funds to the SBDC national program.
- ① ASBDC and SBA will continue to discuss the matter of the SBA designating and funding SBDCs as first responders during disasters, and possibly seeking supplemental funds for those efforts.
- ① SBA should acknowledge to the appropriate Administration staff (White House) that the ASBDC network is addressing the President's agenda by creating jobs, accessing capital for small businesses, and increasing tax revenues.
- ① SBA should recognize and tout that the SBDC network is using technology to assist the small businesses of America.
- ① The Board will consider members' views on the draft ASBDC By-Laws proposals (concerning Board terms and the participation of the Associate Directors Group chair), which may be considered during the Fall Conference in Houston in September.
- ① Association staff will transfer funds to the ASBDC restricted reserve as directed by the Board in the motion passed on February 25, 2006.
- ① The Board will consider whether it is necessary to increase the size of the Accreditation Committee, as suggested by Darryl Mleynek.

- ① The Board will consider developing a checklist of items of which new state/regional SBDC directors should be made aware.
- ① The Board asked that the Accreditation Committee clarify the eligibility requirements for appointment to the Committee, to specify that a state/regional SBDC director or associate director must step down from the Committee if his or her SBDC program is accredited with conditions and subsequently does not meet those conditions.
- ① ASBDC staff will send OMB an example of an accreditation review.
- ① The Board Chairman and the Association President will consult with legal counsel to develop proposals to formalize the structure and processes of the Association's committees, taskforces and interest sections.
- ① The Board asked that staff consider purchasing a copy of the decision-tree software used by Carol Lopucki to organize the Association's work.
- ① The Board recommended that SBDC counselors who received technology training from the North Carolina SBTDC should receive recognition for that training in any technology certification program developed by the Association.
- ① The Board asked that staff inquire as to whether the SBA intends to make Defense Transition grant awards in FY 2006 with FY 2005 funding.
- ① The Board agreed to use its communications tree to assign two mentors to every new SBDC state/regional director and associate director, in coordination with the Accreditation Committee's mentoring program.
- ① The Board will consider the draft Memorandum of Understanding, drafted by the International Trade Interest Group, between the U.S. and Mexican SBDC networks.
- ① The Board asked that Don Wilson continue speaking to USASBE leaders, foundations and Bob McKinley about the possibility of publishing a paper on the qualifications and role of a state/regional SBDC director.
- ① Association staff will prepare a presentation for the Annual Meeting in Houston about the national SBDC network's role in assisting small businesses devastated by the hurricanes in 2005.
- ① ASBDC will draft a document on the role of the SBDCs in the long-term recovery of the Gulf-Coast states damaged by the hurricanes. The Association will ask

Scott Daugherty, the Association's liaison to the hurricane-damaged states, to draft the document, with assistance from SBDC state directors in Gulf-Coast states and others in the nationwide SBDC network who have experience in disaster recovery.

- ① Roy Miller will send to Board members information about the important role that SBDCs play in the work of their host institutions.
- ① Carmen Marti will compile suggestions regarding the Accreditation Committee's new code of ethics from Board members, for the purpose of recommending possible changes.
- ① Mark Petrilli and Carmen Marti, at the request of Chairman Massaua, will co-chair a committee to consider whether a technology accreditation should be required of SBDCs that hold themselves out as having technology expertise similar to that of a "T" accredited state. Members of the committee will also include Henry Turner, Carol Lopucki and Barbara Necarsulmer. The committee will report back to the Board in March.
- ① Al Salgado will include a discussion of the Technology designation in the professional development presentation at the Association's Annual Meeting in Houston.
- ① ASBDC staff will continue to work with the Kauffman Foundation and universities such as Babson University to develop a proposal for a certification program for all SBDC counselors, and present a proposal at the ASBDC Annual Meeting in Houston.
- ① ASBDC staff will meet with officials of the University of Maryland School of Business to solicit a proposal for a technology counselor certification program, and make a recommendation in conjunction with the Technology Task Force to the Board by March.
- 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.
- ① ASBDC staff will work with the Network Engagement Committee to determine a strategy to move forward on associate membership for counselors and staff.
- ① Roy Miller will send to the ASBDC office the report which finds that the best PTACs are those associated with SBDCs.

- ① ASBDC legislative staff will continue to monitor efforts to provide funds for entrepreneurship training for farmers and ranchers in the next Agriculture Reauthorization bill.
- ① The Association will invite members of the Mexican SBDC association to attend the ASBDC annual meeting in Houston, and consider a special event for the occasion.
- ① The Association will ask the SBA for a list of SBDCs that receive Defense Transition Assistance earmarks.
- ① After the presentation to SBA senior management, the Association will develop a script of the presentation for future use throughout the network.
- ① The Marketing Committee will make recommendations to the Board concerning the creation of a national brand for SBDCs, before the ASBDC Annual Conference in September.
- ① Don Wilson will send to Board members the list of state/regional directors who have not yet submitted their center locations for the new ASBDC website.
- ① Board members will follow up with their assigned state/regional directors to ask them to submit their center locations for the new ASBDC website if they have not already done so.
- ① The Board agreed that the Association should present awards to volunteer SBDC counselors and corporate partners who assist in the hurricane-damaged states.
- ① The Marketing Committee will recommend a schedule for Board members to profile their assigned state and regional SBDC networks in the *Member Connection* newsletter.
- ① Association staff will develop recommendations concerning the development of a corporate associate membership program, for consideration by the Board.

Adjournment: Al Salgado moved that the meeting be adjourned. The motion was seconded by Carmen Marti and passed by voice vote. The meeting was adjourned at 2:45 p.m. (EDT) on Tuesday, April 25.

Next Meeting of the Board:

The next meeting of the Board, by conference call, is scheduled for Tuesday, May 23, at 1:00 p.m. (Eastern Daylight Time).

The Board is also scheduled to meet in Maine on June 25-27.

Regular meetings of the Board are held by conference call on the 4th Tuesday of every month at 1:00 p.m. (Eastern Time).

@ = Action Item

Submitted by Henry Turner, Vice Chairman and Acting Secretary, ASBDC