

Minutes
Board of Directors Meeting
Association of Small Business Development Centers (ASBDC)
September 11, 2006
Houston, Texas

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

Others Participating: Patrick Geho; Doug Gurley; Doug Jobling; Ron Manning; Darryl Mleynek; Mike Myhre; Barbara Necarsulmer; Brian Reithel (Dean, University of Mississippi School of Business); Jon Ryan; Conley Salyer; Debbie Trujillo; Mike Young; Donna Ettenson; Dan O'Grady.

Call to Order: The meeting was called to order by Chairman Massaua at 8:00 a.m. on Monday, September 11, 2006.

Moment of Silence: Chairman Massaua asked for a moment of silence in remembrance of the victims of the terrorist attacks against our country on September 11, 2001.

Approval of Minutes: The Board reviewed the draft minutes of the Board meeting held on July 25, 2006. Mark Petrilli moved that the minutes of the meeting of July 25 be approved. Al Salgado seconded the motion and the motion passed by voice vote.

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

Chairman's Remarks: Chairman Massaua reviewed the Board's actions during the previous year. He noted that the list of the Board's motions and action items covered 26 pages of the *ASBDC Membership Activity Review* for the preceding year. He stated that it is essential for the Association to continue to work with the SBA on goaling issues.

President's Report: Don Wilson commended the Board for its hard work; thanked Board members for the many hours they worked throughout the year as volunteers for the good of the Association and the SBDC network; and noted the Board's success in several areas. He noted that the preceding year had been an important year for the network, since it began with a proposed cut in Federal funding and ended with significant progress on goaling. He also noted that the Association had successfully adjusted to the termination of the temporary dues surcharge.

Legislative Update: Don Wilson and Dan O'Grady updated the Board on the status of legislation in Congress. They stated that the House of Representatives passed an appropriations bill to fund the nationwide SBDC network at \$90 million in FY 2007. The Senate Appropriations Committee reported a companion bill to fund the SBDC network at \$89 million, and the bill is awaiting action by the full Senate. They also stated that an SBA Reauthorization bill was passed by the Senate Small Business Committee, providing a \$10 million increase in authorized funding for the SBDC network over three years. In the House of Representatives an SBA Reauthorization bill has been introduced but not acted upon.

Membership Meeting: The Board reviewed the agenda for the following day's Membership Meeting.

By-Laws Amendments: The Board reviewed three proposed amendments to the Association's by-laws, which were to be considered the following day by the membership. One amendment would extend Board terms from two years to three years, beginning in 2007; a second amendment would give official recognition to the Associate State/Regional Directors' group and make the group's elected chairperson a non-voting member of the Association's Board of Directors; and a third, technical amendment would change the term "certification" to "accreditation."

Member Political Involvement Discussion: The Board discussed the legal options that are available for an association or individuals acting independently to support candidates for Federal office. The Board took no action concerning the options discussed.

Operations Committee Update and Discussion:

Goaling-- Operations Committee Chairman Mike Young reviewed the progress made in cooperation with the SBA to change the goaling standards from headcounts (outputs) to economic impact (outcomes). The Board also discussed goaling issues that require continuing discussion and negotiation with SBA.

Developing a Forum for Membership Discussion of Operations Issues -- The Board discussed the need for regular conference calls for the membership to discuss operations issues. The Board agreed to ask Antonio Doss to (1) include Don Wilson in the SBA Office of SBDC's monthly conference calls with state/regional directors; (2) make the SBA Office of SBDC's monthly conference calls a joint SBA/ASBDC activity; and (3) record the conference calls so that state/regional directors who could not participate during the conference calls could listen to the discussion at a later time.

Mentoring -- The Board discussed the need for additional mentoring for new SBDC state/regional directors. The Board agreed to ask Antonio Doss to make the SBA Office of SBDC's conference calls with new SBDC state/regional directors a joint SBA/ASBDC activity.

Conference Subcommittee Report: Liz Klimback, Chair of the Professional Development and Education Committee, updated the Board on preparations for the 26th Annual ASBDC Conference. She reported that this year's conference would feature the strongest educational program and the largest trade show ever presented by the Association at the annual conference. The Board thanked Liz Klimback and the members of the Conference Subcommittee for all of their work throughout the year.

Regulatory Interest Section Report: Jon Ryan (Chairman of the Regulatory Interest Section) and Ron Manning updated the Board on the work of the Interest Section. They stated that the annual Compliance Alliance appropriation earmark of SBDC funds would not be renewed for FY 2007, and they asked for the Board's views on the future role of the Interest Section. Board members agreed that the Interest Section has developed useful materials and information on regulatory compliance assistance and should continue its efforts. Mark Petrilli suggested that the ASBDC web site should have a link to IRS compliance information developed by the South-West Texas Border Region SBDC.

SBA Update and Discussion: The Board welcomed Antonio Doss (SBA Associate Administrator, Office of SBDCs); Jean Smith (SBA Deputy Associate Administrator, Office of SBDCs); and Jean Holcombe (SBA Deputy Associate Administrator, Office of SBDCs).

SBA/ASBDC Relationship and Developing a Strategic Plan: Chairman Massaua thanked Cheryl Mills, Stephen Galvan, Antonio Doss, Jean Smith and Jean Holcombe for their leadership in strengthening the partnership between the SBA and the ASBDC. He urged the SBA to work with the Association to develop a strategic plan to achieve shared goals.

Goaling: Antonio Doss noted the recent progress in moving from goaling standards that are based on headcount to goaling that are based on economic impact. He thanked Operations Committee Chairman Mike Young and the members of the Operations Committee for their work in developing impact measures. He stated that it is important to ensure that new economic impact goals are reasonable, by applying a market-driven approach to the development of goals.

SBA Project Officer Training: Jean Smith informed the Board that the SBA would conduct Project Officer training the following week. She stated that two-thirds of all SBA district office staff members are new in their jobs and the SBA has not conducted training for district office staff in many years.

SBA Field Management Conference: Antonio Doss stated that the SBA held a field management conference in New Orleans as a part of its effort to improve the management of the agency.

New SBDC State/Regional Director Training Forum: Antonio Doss stated that he had been holding individual calls with new SBDC state/regional directors every two weeks, and he had decided to start holding conference calls with all new SBDC state/regional directors every two months.

Suggestions for increased cooperation: Board members and Operations Committee Chairman Mike Young made the following requests to Mr. Doss:

1. It was requested that Don Wilson be invited to participate in the SBA Office of SBDC's monthly conference calls with state/regional SBDC directors, and Antonio Doss was agreeable to that suggestion.
2. It was requested that the SBA Office of SBDC's monthly conference calls be a joint SBA/ASBDC activity.
3. It was requested that Mr. Doss consider recording the conference calls for those whose schedules do not allow them to participate
4. It was requested that the SBA Office of SBDC's conference calls with new state/regional SBDC directors be a joint SBA/ASBDC activity, and Antonio Doss was agreeable to the suggestion.
5. It was requested that Mr. Doss give the ASBDC a schedule of the conference calls so that the Association can share the schedule with state/regional directors and encourage participation.

6. It was requested that SBA hold regular, joint meetings with the SBA's Entrepreneurial Development partner programs, and that the SBA hold a joint strategic planning session with the Entrepreneurial Development partner programs.

SBA National SBDC Advisory Board: Antonio Doss stated that the SBA wants to strengthen the role of the National SBDC Advisory Board. He also stated that the SBA wants to expand the membership of the Advisory Board from nine to 10 members, so that the Advisory Board can have one member from each SBA Region.

Motion: Mark Petrilli moved that the ASBDC support the expansion of the National SBDC Advisory Board from nine to 10 members (so that the Advisory Board can have one member from each SBA Region), and that the ASBDC support future legislative efforts to expand the membership of the Advisory Board. The motion was seconded by Al Salgado and passed by a unanimous voice vote.

SBA Scheduling of Women's Business Centers Conference: Chairman Massaua asked Antonio Doss that the SBA not schedule the Women's Business Centers conference during the week of the ASBDC Fall Conference, so that members of the Women's Business Centers have the option to participate in professional development programs at the ASBDC Fall Conference.

Status of Connecticut SBDC: Antonio Doss stated that the host grantee of the Connecticut SBDC will change in January, 2007. The current host will continue to manage the grant through December, 2006. The SBA held a bidder's conference in Connecticut in August, and bids are due on September 15.

Status of SBA Economic Impact Survey: Jean Smith stated that the SBA will be sending out its new economic impact survey soon.

Training Discounts: The Board discussed providing discounts on training fees to members of small business associations. It was noted that it would require the participation of the entire network to be successful. The Board agreed to present the idea at the Membership Meeting the following day.

Policy Regarding Non-Payment of Dues: The Board discussed a policy statement prepared by the Association's law firm regarding the termination of membership in the Association for non-payment of dues. It was noted that the draft policy statement did not include a policy regarding the reinstatement of membership after termination for non-payment of dues.

Motion: Mark Petrilli moved that the Board approve the policy statement prepared by the Association's law firm regarding the termination of membership in the Association for non-payment of dues, with the addition of a provision regarding the reinstatement of membership after termination for non-payment of dues. The provision regarding reinstatement shall state that an SBDC can re-join the ASBDC after being terminated for non-payment of dues if such SBDC makes full payment of the dues for the calendar year in which such SBDC re-joins the ASBDC. The motion was seconded by Henry Turner and passed by a unanimous voice vote.

- @ Don Wilson will ask the Association's law firm to add a provision to the policy statement regarding termination of membership for non-payment of dues, stating that an SBDC can re-join the ASBDC after being terminated for non-payment of dues if

such SBDC makes full payment of the dues for the calendar year in which such SBDC re-joins the ASBDC.

Password Protecting Draft Board Minutes Published in the *Member Connection*: The Board discussed whether draft Board minutes should be password-protected when they are published in the *Member Connection* newsletter, and the Board decided to continue password-protecting the draft Board minutes in the *Member Connection* newsletter.

SBDC Community Web Site: Al Salgado and Donna Ettenson demonstrated the SBDC Community web site for SBDC counselors, which is being developed by ASBDC, SBDCNet and Intuit.

Action Item Review:

New Action Items From the Current Board Meeting

- ① Jody Keenan will put together a list of things that a state/regional SBDC director should do.
- ① The Board of Directors will include action items from the CEO's evaluation in the Board's action items for the coming year.
- ① Don Wilson will ask the Association's law firm to add a provision to the policy statement regarding termination of membership for non-payment of dues, stating that an SBDC can re-join the ASBDC after being terminated for non-payment of dues if such SBDC makes full payment of the dues for the calendar year in which such SBDC re-joins the ASBDC.

Completed Action Items From the Board's Previous Meetings

- ✓ Don Wilson will give the Board proposed policy language regarding the non-payment of dues, before the Membership Meeting in Houston in September.
- ✓ Don Wilson will inform Antonio Doss of the importance for fiscal-year SBDC networks to receive their proposal letters by September 1.
- ✓ Chairman Massaua and Don Wilson will work on the agenda for the Membership Meeting in Houston.
- ✓ Chairman Massaua will work with ASBDC staff to develop templates for a book to be given to each state/regional SBDC director at the Fall Conference in Houston, summarizing the membership's work during the past year.
- ✓ Chairman Massaua will send an e-mail to all members urging them to submit success stories by August 1, for the Association's success story project in partnership with the Bank of America.

- ✓ Board members will call their assigned state/regional directors to urge them to submit success stories by August 1, for the Association's success story project in partnership with the Bank of America.
- ✓ ASBDC staff will send an e-mail to members of the Board's working group on committee, taskforce and interest group effectiveness, with call-in information for the conference call on Friday, August 11, at 9:30 a.m. (Eastern Time).
- ✓ The Board will discuss during its meeting in September whether draft Board minutes should be password protected when they are published in the *Member Connection* newsletter.
- ✓ Chairman Massaua asked that staff compile all action items and motions from the previous year's Board meeting minutes, sorted by strategic direction, for the Annual Meeting in Houston.
- ✓ Carmen Marti will consult with Liz Klimback, Chair of the Professional Development Committee, and conduct a program for the Women's Entrepreneurship Taskforce during the Annual Meeting in Houston.
- ✓ Don Wilson will contact the SBA Contracts Office to inquire about DETA grant notifications.
- ✓ John Massaua and Don Wilson will speak to Antonio Doss about giving ASBDC a summary of his calls with groups of state directors.
- ✓ Mark Petrilli will work with Accreditation Committee Chairman Mleynek to write an article for the *Member Connection* newsletter about the Accreditation Committee's mentoring program.
- ✓ Mark Petrilli will work with Accreditation Committee Chairman Mleynek to write a tote-bag insert for the ASBDC Annual Conference in September about the Accreditation Committee's training program.
- ✓ Staff will inquire as to whether the SBA intends to make Defense Transition grant awards in FY 2006 with FY 2005 funding.
- ✓ The Association 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.
- ✓ 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.

- ✓ The Association will present awards to volunteer SBDC counselors and corporate partners who assisted in the hurricane-damaged states.
- ✓ The Marketing Committee will recommend a schedule for Board members to profile their assigned state and regional SBDC networks in the *Member Connection* newsletter.

Incomplete Action Items from the Board's Previous Meetings

- @ The Association's leadership will follow up with OMB about SBDC appropriations.
- @ John Massaua will work on definitions for committees, taskforces and interest groups.
- @ Donna Ettenson will look into software that can automatically update state/regional SBDC maps on the ASBDC web site whenever center information is updated.
- @ A group of Board members (including Chairman Petrilli, Don Wilson, Georgianna Parkin and Al Salgado) will work on proposals to enhance the effectiveness of Association committees; and this group of Board members will schedule a conference call with members of the Synergies Taskforce to determine two or three synergistic initiatives on which the Association should focus.
- @ The Association will ask SBA for additional funding or a change in the scope of work to pay for accreditation training. The Accreditation Committee will choose a group of members to work with Association staff on this.
- @ Dan O'Grady will poll appropriate ASBDC members to determine whether 70% of all members of the U.S. House and Senate appropriations subcommittees that fund the SBDC network have visited an SBDC, as called for by the Board's strategic direction milestones.
- @ Don Wilson will give the Board a document specifying a corporate associate membership program.
- @ ASBDC staff will consider the possibilities of expanding the annual fall conference and make a recommendation to the Board.
- @ Barbara Necarsulmer will develop a checklist of items of which new state/regional SBDC directors should be made aware.
- @ ASBDC staff will consider purchasing a copy of the decision-tree software used by Carol Lopucki to organize the Association's work.
- @ 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 will continue to work to develop a proposal for a certification program for all SBDC counselors, and present a proposal at the Spring Meeting next year.
- ① ASBDC staff will make a recommendation for a technology counselor certification program, in conjunction with the Technology Task Force, to the Board in September, 2006.
- 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 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 Marketing Committee will make recommendations to the Board concerning the creation of a national brand for SBDCs, before the ASBDC Spring Conference.

Executive Session: The Board entered into Executive Session to discuss personnel matters.

Adjournment: Al Salgado moved that the meeting be adjourned. The motion was seconded by Mark Petrilli and passed by voice vote. The meeting was adjourned at 5:00 p.m. on September 11, 2006.

① = Action Item