BOARD OF DIRECTORS

MEETING MINUTES

December 18, 2017

Supporting the Success of its Members – America's SBDCs

OUR SHARED MISSION

Deliver high-quality, professional business advice, education, and information that generates meaningful results.

OUR SHARED VISION

America's SBDCs are highly valued for driving economic prosperity.

ASBDC'S PURPOSE

To support the success of its members.

BOARD OF DIRECTORS OBJECTIVE

To establish the Association's mission, vision, strategic direction, approve the Association's budget and operations plan, and appoint and evaluate the performance of the Association's President, including setting compensation.

The meeting was hosted on WEBEX.

CALL TO ORDER The Chairman called the ASBDC Board of Directors meeting to order at 3:00 p.m. EST.

ROLL CALL The Secretary completed the Board of Director roll call; quorum present.

PRESENT	BOARD MEMBER	NOT PRESENT
✓	Michele Abraham (South Carolina)	
✓	Allan Adams (Georgia)	
✓	Terry Chambers (Washington)	
✓	Christian Conroy (Pennsylvania)	
✓	Bill Cummins (Alabama)	
✓	Mark Langford (Texas)	
✓	Michael Myhre (Florida)	
✓	Greg Panichello (Kansas)	
✓	Linda Rossi (Vermont)	
✓	Lisa Shimkat (Iowa)	
✓	Tee Rowe, America's SBDC	

APPROVAL OF THE MINUTES – Final meeting minutes of the November 9-10, 2017 BoD meeting were sent out by e-mail. Linda asked for a motion to approve them as presented. Michele made a motion to approve and Terry seconded the motion. The BoD voted unanimously to approve the minutes. The Dec 4th special meeting minutes along with Dec 18th meeting minutes will both be presented for approval on Jan 16th.

PRESIDENT'S REPORT

Tee shared that it looks like the House & Senate are trying to finish up by this Friday with a CR which will continue til Jan 19th. They will do the tax bill this week. Then, reconciliation and when they get around to final numbers, we're in great shape (with $130M in both House/Senate). Omar and Tee are working to get a final idea on whether supplemental will be rolled in this week or not. The supplemental has been disappointing with conflicting opinions on what will happen. Tee sent Mike a draft letter and will send to folks from affected states who would like to get it in now. Some members of the Senate staff from authorizing committee have put in a good word for us with the Senate appropriators which should help put it over the top. Mike confirmed that the letter was fine to go forward. Other than that, there's a lot of inside baseball about priorities including the Defense Bill, what to leave in CR, etc. Will have to be a punt until Jan 19th and appropriations bills have to have 60 votes. The CR is important in order to get the NOAs out and the Holiday will impact productivity. Technically the CR will have us at $125m. Tee is most concerned about the timing of getting the money (assuming we end up at $130m the end of January) moved out of OBM quicker than in the past. Otherwise we're in great shape. Donna and Tee have sent a draft budget out and some information regarding the Feb meeting (to clients and State Directors). Tee confirmed that the attendance for Hosts to the Summit can be expensed by our program, in case that question comes up. Greg asked Tee to put this in writing…so we can share with our Hosts.
ACTION: Tee will forward to us the e-mail he has from Vicky.

Lastly, Tee had a phone call with the NBRI folks regarding getting all the 641 client data from all networks which logistically may be tough; as the idea is to survey all the clients from 2016 and 2017 which is close to 400,000 clients. He is getting more information regarding the fields. He assumes there is a standard format so we don't have to worry about transposed columns and fields. Greg shared that you cannot rely on that happening, along with the issue of states that are next to one another, and data from multiple states coming in on both data programs. Allan suggested surveying the same things as Chrisman for this first year with NBRI. Al Salgado recommends that we could clean up our mailing lists. Tee would like to get it rolling to be concurrent with this year's Chrisman info and mainly he doesn't want to make the membership crazy with requests. Lisa suggested that he contact the vendor companies- CenterIC, Neoserra to get the data and deliver directly to NBRI. He agreed that fits into the conversation he had with NBRI, and would be easier. Greg explained that we need to define and decide what will be included. Tee is interested in Congressional districts, for example. Allan offered Beth's help to Tee in how to structure this as she has worked w/ Chrisman for years with data and the impact survey. There was some discussion about the data collection fields and Greg expressed concern on eliminating options for States that do not have the resources on their own. Allan suggested that after the first year we can build out other features, get messages out to others, clean up database fields/e-mails, to give us the best possible pool. Greg feels there is nothing involved with getting additional data in, tracked and back.

ACTION: Tee will find out what NBRI says, along with talking to Beth and we'll go from there. He referenced that the more information we can get, it provides a check on what SBA has for gross numbers. Christian asked

about confidence levels and whether that was in reference to nationwide or on a state-by-state basis. We talked about getting 15% in each state and NBRI thought that would provide a 95% confidence level state-by-state. Al Salgado mentioned a comment by Scott Henry on EDMIS and its way of calculating information. And Mike said we believe it is not calculating things in a way to capture milestones and real results. And if it is used to report on SBDC achievements, then it needs to accept the data the way we capture the data and it really happens.

CHAIRMAN'S REPORT

Open Board Items – KPI Goal Recommendations. Mike shared by e-mail the letter that Bill drafted after our December 4th special BoD meeting, stating that Bill did an exceptional job at outlining our key points, referencing concerns, and offering recommendations based on the feedback from liaison states. Mike went over the letter and referenced the important premise that we must have an effective performance measurement system; one that is satisfactory not only to the SBA but the three resource partners. Challenges were outlined, in referenced to the uniqueness and variability of the programs. Important points include not just the recommendations, but (in the conclusion) that our comments are expressed with the understanding that the agency will have a reliable, accurate and transparent system in which all parties have a high level of confidence; and that the deployment of goals will be more collaborative and equitable; and that these goals by themselves should not be considered as the only measure of an SBDCs performance. Mike then showed the diagram from Allen Gutierrez with circles of the metrics reported, goaled and collected by each of the resource partners. He then showed and described a slide that he developed after our discussions and membership feedback which is a visual representation of the recommendations. The red circle tells our entire story---incl. activity measures and outcomes.

What he summarized from our discussion is that our individual network performance goaled by the Agency should include those things in the center, that is: LTC, Consulting hours, Cap infusion, Customer recommendation rate. The things in the red circle alone (outcomes) ---should be aggregated but not goaled on an individual basis but things that show how important America's SBDC is to the economy. Mike then opened up the discussion to Board Members, if you feel the letter and this visual representation is a consensus of our discussion.

Greg said he loved what Bill wrote, however he does think the SBA is more concerned with SBDCs meeting goals rather than what the goals are. He has heard there are so many states under performing, that the Administrator's staff is real concerned about the process. Greg has told the SBA that the numbers are dramatically under-reported in the current data system. There was some discussion that the letter does describe the need for the measurement system to be fixed.

Christian also likes the letter and the way it is presented, especially the emphasis that these are not deliverables but not goals. He suggested that one thing in the letter could be clarified on the 3rd page re: America's SBDC is undertaking a review for an annual economic impact survey. Not sure if including it here is helpful and could be a distraction. Bill said that was a valid comment, and included it in order to represent our holistic evaluation which includes economic impact). Agrees it is secondary.

Michele, having not read it thoroughly yet, wanted to make sure that the letter includes and speaks to the involvement in setting the goals themselves. Bill shared that the tone was intended to be one of opportunity, influence and collaboration. She agreed with Christian that we might want to limit detailed discussion on our

economic impact survey and could embed it as part of stating that we continue to look for ways to improve our SBDC process. She asked if Mike was recommending that we share the visual piece along with the letter, as it contains a lot of metrics and might take focus away and suggest to SBA some sense of their accountability in these areas. Mike was trying to state they (SBA) should take those items only in the red circle from our ASBDC economic assessment—and not be goaled. Michele recommended a reword then to make sure that is clear; including recognizing that is a 3rd party. Christian amended his answer based on the fact that this would be shared with the agency; and has concern over that if it is reported to CBJ then SBA may think SBDC should be goaled on them over time. He recommends we should only share with SBA only what we want to be goaled on. Mike is seeking a way to reference these outcomes as important to us, and Michele would recommend a different visual, or talked about differently. Tee added a point of clarification. He said SBA will never take our impact survey since if they don't collect it, they won't feel they can use it.

Mike is looking for consensus, and where we go from here. Michele offered that perhaps part of the message is that we are going to continue to report economic impact since it is vital to the economy. Allan said that Congress accepts our data and the current process hasn't seemed to hurt our appropriations thus far. It is the same situation we talked about in D.C. and if we document our concerns, hopefully a good discussion can occur with SBA in addition to the letter itself. Terry said he really liked the tone of the letter and mentioned more than once looking at equitable distribution, which is critical. Before we talk about the goals, we indicate in the letter that they could incorporate 3-4 for FY19. In his mind that gives each of these metrics equal status; and he's not sure we came to that conclusion. Greg said his peer group did not think the recommendation rate is reliable….SBA needs something to manage quarterly and this is not it, as collected annually.

Mark thought the letter is great and along w/ what Christian said, probably the economic impact piece perhaps is telling too much. Thought the tone of collaboration comes through. And it emphasizes all the work that the Board did and the States have done to provide input. He thinks the challenge is who we are talking to, and how it is conveyed to SBA, especially given recent conversations with SBA. The information on the slide and in the letter does a good job at capturing what the Board gave for feedback. We're not sure how the "negotiation" is going to take place. Linda agreed with much of what has already been said and stated that Bill's letter captured the spirit of what we have discussed, and mentions how essential the data integrity tool is to the process. Regarding the visual representation and the letter, think about the job of the letter along with the job of the next few steps in the process. And, perhaps the visual should only capture the goaled data and embed the others in the red circle within the letter, to demonstrate our continued commitment to data collection/reporting to stakeholders.

Lisa also said much had been said including the problems with EDMIS, but in general thinks that the letter shows us in a proactive light, and gets us invited to be part of the conversation. She views the letter as step one, and we will invite ourselves to further discussion beyond the letter. To Greg's point, she agrees that we need to also have simultaneous conversations on EDMIS.

ACTION: Mike will use Bill's letter as foundation, and make appropriate edits and circulate to Board members.
He asked for any other thoughts from BoD members to be sent within 48 hours. Michele said we should be prepared for SBA having a hard deadline and for them to move forward regardless, so while there may be opportunities in the future to improve our collaboration, this may be decided quickly by SBA. Next bi-weekly call is on the 28th, so we may want to suggest to SBA a call as a follow-up to the letter prior to that.

Greg made one request that he would minimize the recommendations and mention the alternatives. He believes this is about us not meeting our contract terms and this is causing them to react and must be fixed. That we should think about starting to raise the visibility of the data collection issue. Several states include these as milestones in their client management system and the data coming out of EDMIS (jobs and sales) is only about 5% of actual is based on economic assessment. Mike's vision is that we report these (jobs & sales) on an annual basis to SBA only, and none of this is uploaded to SBA through EDMIS on an ongoing or quarterly basis. Mike thanked everyone.

TREASURER'S REPORT

Lisa started with November and mentioned a couple of things on the Accounts Receivable. It is looking much better with $17,000 over 90 days. There is $2800 unpaid from conference and looking to get that cleared out. There were not any anomalies on the November report. Michele asked about Boots to Business spending and whether we spent more than we budgeted? Greg explained that everyone submits their reimbursement requests to the Association, then ASBDC submits to SBA, so it is always lagging being on a reimbursement basis. Tee said we can't actually exceed the contract; Donna said we're always fronting the money with these contracts, and then playing catch up to collect it.

With regard to the 2018 budget, Donna and Lisa went over it and the bottom line is a projected shortfall of approximately $76,000. There are a couple of things there which will modify a bit. On Fall conference. 172,000 profit. Looking at the high internet charge for 2018 Fall Conference internet budget – Donna is in negotiation with hotel on this. Impact assessment is included. Donna explained the increase going from Dr. Chrisman plus NBRI. Government relations is for the client showcase and Omar's contract is listed in there also. There is a recommendation to increase the dues (as budget is based on 1350 paying $795 from $745). In summary we've budgeted a loss, can negotiate the internet down, and raise conference dues. Based on everything Donna was given that we want, the budget is a reflection of actual costs. So, therefore, proposing an out-of-balance budget. Greg proposes that we accept the budget, and increase the price of conference, and price of dues. Greg said as long as we keep spending without a revenue stream, he will continue to bring this up. Lisa asked when we are going to have the dues conversation and make some forward movement. Mike stated that the BoD could elect to use reserves for the 2018 budget. Christian had a question on the proposed income from dues—and what it looks like at $130m versus $125m? Mike asked Lisa whether she is looking for a motion or if this is a presentation? Lisa's recommendation is for us to look at the increase related to the economic impact survey as a strategic decision. Several board members interpret that the majority of the deficit is to change the contractor for the impact survey/process which was a strategic decision therefore the reserves are an appropriate funding source.

Mike recommends (and made a motion) that the economic impact survey is paid for by strategic reserves and removed from the 2018 budget. He additionally suggested that through the reserves, each state receives one state specific report if one can be prepared based on the responses. Then, in the future-states have had an opportunity to evaluate it and assess value. Greg seconded the motion. Then a question arose on which reserves need membership vote. Clarification that Operational reserves requires board member vote while Strategic reserves---requires membership vote. Therefore, Mike restated the motion for $80k of operational reserves be used to execute the new national assessment—while providing individual networks state reports…for calendar year 2018, clients served in 2016. Greg seconded the motion. Vote was taken with unanimous agreement and motion carried. Greg then offered a motion to approve the budget as updated.

Linda asked if this was the time and place to bring up budget related items from the Leadership committee including new State Director training amount of funding needed as the New England group found an opportunity to make improvements, let folks know what to expect and therefore strengthen this professional development program. As liaison to Leadership committee, Linda explained the way the new SD training was funded in the past, and the desire going forward to standardize building the budget so the Association reaffirms its commitment and the standard is to reimburse the new State Directors at 100%, with mentors (at least one at 100%) with a second mentor (at 50%) and guests, and host reimbursement out of pocket costs. The second item related to an external speaker as one of the State Director round table sessions which might need sponsorship funds and Association funding of up to $5k. Mike shared that it doesn't need to be part of the 2018 budget, so a decision can be made at any time to use operational reserves. Donna referenced that the money taken out of operational reserves in the past, was replaced in about 3 months.
Since there is quite a bit of detail to review, Mike asked for Linda to write it up, for BoD consideration. Lisa offered to review and work on this with Linda also. *ACTION: Linda will send this information around to BoD.*

Motion introduced by Greg and second by Mike to approve budget as presented. Vote was taken and approved unanimously. Motion carries to approve 2018 budget as presented.

BOARD COMMITTEE REPORTS

Michele had conversations with new Committee chair of Marketing-Communication-Branding, but nothing else to report to the Board.

BOARD LIAISON ENGAGEMENT UPDATES

None to report.

NEW BUSINESS

None to report.

OLD BUSINESS

SBA Host Summit Update: Michele is waiting for the Advisory Board to send out the Save the Date cards. She has no new information on the agenda, however there is a call scheduled for Thursday the 21st and she will update us afterward.

DLA PTAC Discussion:
Planned Response -Mike stated that there has been a lot going on here. He has sent an e-mail to Sherry Savage from the FL SBDC, referencing the branding issues and naming standards, since they are withholding funding. He cited some statutes and terms & conditions and is waiting for a response. Michele said SC had an unplanned review last week and the marketing/branding was a big piece of the review. A PTAC logo was approved that is distinct from SBDC, and shows an affiliation, and in partnership with SBDC. Mike read the e-mail he submitted to Sherry (APTAC) to the BoD. He is extremely frustrated given the contracts that are out to his centers, 12 people on a funding source which may not exist, and had an expectation that his agreement would be renewed. He made sure the BoD knew this was not communication on behalf of America's SBDC. Bill said that after we see her response, we can decide to bring it to the attention of other SBDCs which host PTAC programs. Michele said PTAC did acknowledge to her that much of this was on PTAC, as it had never been brought up to SBDC before. Michele's contract expires in March 2018 and looking at an extension through June 30th to align with

State funding and gives time to address issues. Michele thinks others will be seeing this. Christian's contract year begins in August. In Mike's assessment of SBDC PTACs around the country, SBDCs are specifically being targeted, as compared with PTACs hosted elsewhere.

Inquiry about Cyber Security – This surprised Mike. Feedback was forwarded by Michele; seems they are trying to take a lead position on this however it is a very specific requirement not broad based.

NON-BOARD MEMBER TOPICS – None were raised.

4:55 PM EST – MEETING ADJOURNED

UPCOMING BOARD MEETINGS:

* January 16th (Tuesday) via WebEx
* Feb 11th (Sunday) Washington, D.C.
* March 19th (Monday) via WebEx
* April 16th (Monday) via WebEx
* May 21st (Monday) via WebEx
*June 14-15th (Thurs-Fri) Washington, D.C.