



BOARD OF DIRECTORS

MEETING MINUTES

April 23, 2018

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)	✓
	Vacant	
✓	Bill Cummins (Alabama)	
✓	Jennifer Deamud (Michigan)	
✓	Mark Langford (Texas)	
✓	Michael Myhre (Florida)	
✓	Greg Panichello (Kansas)	
✓	Linda Rossi (Vermont)	
✓	Lisa Shimkat (Iowa)	
✓	Tee Rowe, America’s SBDC	

NEW BUSINESS

We started with New Business to give our guest, Christian Conroy an opportunity to provide an overview of his recent proposal to the board. Christian began by offering his heart-felt thanks for the support given to him since his departure from the PA SBDC. Conversations with colleagues resulted in his drafting a proposal with recommendations to address important strategic issues for the association. Christian provided an overview of the higher level aspects of the proposal. And the board left time for questions and comments from the BoD members, non-BoD members on the call.

His overview included a description of threats & opportunities as follows: The ASBDC staff does a strong job, but is very lean, limited in time with no backup on positions. About 25% of the membership leadership is transition, between newly hired State Directors, current vacancies, and known upcoming retirements. This will result in a loss of institutional knowledge. Some of these SDs are looking for continued engagement in ASBDC. While we have been fortunate to consistently grow federal funding, the critical activity that goes along with the funding is a demonstration of performance. The question will be whether centers in transition will be able to maintain performance levels or increase them.

He posed the question—is there a role at the Association to provide that support-A Director of Strategic Initiatives? This individual would focus on leadership transition and work with BoD to execute strategic priorities as the board has limited time, lack of ownership. New leadership could benefit from assistance in developing strategies and approaches to fulfilling deliverable requirements, including increasing and diversifying match sources of funding. The onboarding plan could be customized for individual State Directors. For the Association, it would be an enhancement to member benefits, including using the accreditation process as a management tool. There was some question on whether the position should initially focus on the issues in underperforming networks. Board members will need to discuss the use of reserves to get such a position established for as much as two to three years, before we focus on new revenue streams to cover the incremental expense.

Mike thanked Christian and he left the call. Comments that followed include: We need a proof of concept period, for 2-3 years. How do we see this being a sustainable position? Would it be paid for by the Association? Would dues increase if member benefits increased? Would this turn into a model that offers services to programs at an additional cost? Concern was raised over how easily this position could expand in scope, and it would be important to narrow it to get a few key things done.

Non board members spoke up saying it was an excellent idea, especially given the high percentage of turnover; and that Christian would be an excellent person to deliver it.

Items that will need further discussion are: A position description, objectives, an employment contract, compensation. The Board will convene immediately following this meeting for an executive session.

APPROVAL OF THE MINUTES – Meeting minutes of the March 19th BoD meeting were sent out by e-mail. Linda asked for a motion to approve them as presented. Motion to approve from Greg, with a second from Michele. The Board voted unanimously to approve.

Linda then provided an Election Committee update. Allan, Lisa and Linda have held meetings and are following the time line and process. Tee will send an email to the membership requesting nominations in mid-May.

By June 4th, the election committee will provide at least one candidate per each board opening to the Secretary. The Secretary will submit these names to the membership on July 20th, by August 15th the membership may nominate additional names (in writing to the Secretary) with a “2nd” by 5 others. Once the Secretary determines that the candidates are qualified, these names are submitted to the membership on August 25th. The membership will vote on September 4th. Lisa explained that the committee has been looking at regional representation as well as size and type of program.

PRESIDENT’S REPORT - Tee reviewed his full report (below) that was e-mailed previously.

Association Business

MOU with Qatar Development Bank- I recently signed an MOU with His Excellency Abdul-Aziz Al-Khalifa, CEO of the Qatar Development Bank. (roughly \$700 million in assets) It pledges both parties to develop cooperation and collaboration on small business development items of mutual interest. Qatar, as you know, is the peninsular state adjacent to Saudi Arabia. It holds roughly 1/3 of the world’s oil reserves and is intent on becoming a commercial hub for the Gulf Region. This will be a long-term effort, Qataris don’t move quickly, but they want to build capacity for SME development.

Boots to Business – The contract will end on June 30th. At the recent Mid-America Lenders Conference, a VBOC presentation made it sound like VBOCs plan a B2B, online training track with hand off to SBDCs or SCORE later. I have no knowledge of the online course quality.

National Impact Survey – The survey instruments have been cleared, and the email address and subject line will go out to members along with the introductory language. This will give Members two weeks to do outreach to clients prior to receipt of the survey. Expected survey completion is anticipated to be late May/early June depending on responses.

Conference – The Conference Committee met this week and concluded the judging of submissions. Wednesday’s kickoff speaker will be a Cybersecurity specialist who is highly entertaining. After SBA announced its Rural initiative/MOU with USDA I had some conversations with friends at USDA. They would like to get SBDC support because the lending initiative means little without technical assistance. I am now trying to see if it would be possible to arrange a joint event with Administrator McMahon and Secretary Perdue on Thursday. USDA has already tentatively expressed support/interest. I believe that duo may attract larger fish... The host summit is also scheduled for Thursday but I believe we can work around the general session.

Legislative Activities

The Omnibus appropriations bill has passed. Now begins the task of getting NOAs out of SBA and working to get the funding out to the SBDCs. There has been some talk about a rescission bill but that was quickly shot down. The reconciliation activities for the 2018 budget have provided sufficient additional spending room to forestall a return of sequestration.

SENATE - Recently a letter went from Senator Cardin to the appropriations committee. With our support he garnered 19 signatures, a significant number and his staff is highly appreciative. The letter requests that the FSGG subcommittee continue to support full funding for all ED programs. What was really gratifying was the number of appropriators who, although they wouldn’t sign on to a letter to themselves, expressed strong support for the SBDC program.

Unfortunately, Chairwoman Capito has moved to a new subcommittee. Fortunately, it is Homeland Security. I hope this will make it easier to obtain some fiscal support for our cybersecurity efforts. The other members of the subcommittee should help, too. (Manchin, Shaheen, Moran). The new FSGG Chair is Jim Lankford of OK. Our friend, Senator Coons, remains ranking member.

The problems with SBDC funding continue. I had good conversations on Friday 4/20 with Senate staff regarding SBA's funding issues. This is a problem across ED. They are working with me to get to the bottom of this mess and ensure better flow of funding. I will be meeting them again on Wednesday when I will accompany an Idaho SBDC client to a hearing on cybersecurity. I have broached the topic of a disaster hearing in FL and it was well received.

HOUSE - I also accompanied a Virginia client to a hearing on community based economic development which went very well. Chairman Chabot and Ranking Member Velazquez were cordial as always. The House SBC has requested that Armed Services append about 12 bills to the NDAA. Included in the package are the two cybersecurity bills we have been working on, as well as the SBDC Improvements Act.

SBA

Pennsylvania SBDC application period has closed. There was significant interest. I haven't learned how many applications were received.

Allocations – As stated above I am having ongoing discussions with Congressional staff about the CR allocations as well as SBA's insistence on using the President's zombie budget proposal as the basis for 2019 proposals.

Goals – SBA has still not responded to our inquiry on the future of SBDC goals. I sent a letter to Allen strongly discouraging the dropping of capital infusion as a goal. This is a prime leading indicator and without it SBDCs would be hard pressed to show meaningful progress towards the common goal of small business growth. I have learned that the "goals committee" Allen refers to is made up of District Directors. There is also a "compliance committee" of similar make-up that wants to use accreditation as a compliance tool. It appears that OSBDC is ceding program management to Field Ops.

Deputy Administrator – The new Deputy Administrator resigned abruptly, no reason given.

CHAIRMAN'S REPORT

Mike began with legislative strategy updates, including recognizing our success at increasing core appropriations over the last 3 years (over 13% increase during this period). Our goal for FY19 is \$135m. Last Thursday's call with SBA included a discussion of NOAs being amended through June 30, 2018. They wanted to give immediate resource access (especially to fiscal year programs) and there will be new terms and language on the SBA logo put into the final NOA. In response to the President's 2019 budget of \$110m for the SBDC program, the amount was not surprising but having a "set aside" for competitive award funding to SBDCs that meet specific milestones set by SBA, was surprising. SBA was questioned about how we would prepare grant applications and budgets at \$110M or less than \$110M (given the set aside)? The good news is that we have great Congressional support for the increase to \$135M in FY19. We have a bipartisan House letter in support and the Senate is supportive as well. And there have been a number of Bills introduced and Tee and Omar are tracking them that will have positive opportunities for SBDCs.

Mike shared slides which are hyper-linked to read the bills completely. He also encouraged everyone to read the Congressional Budget Justification Report (CBJ), as it does tell us what our goals are going to be in FY'19. Around pages 90-92, it describes business starts, and capital. It includes an expectation for 441,000 entrepreneurs in advising (and training); and also 57,000 will be Long Term Clients. There are some aspects which seem contradictory; for example SBA has said that new business starts will continue to be included, even though focus is on business growth. Tee is on top of any recommended changes regarding confidentiality, ie. the SBA gaining access to our clients, and we don't believe there is any Congressional support for this.

During the last BoD meeting, we agreed that ASBDC would be a Gold Sponsor at the National Rural Entrepreneurship Ecosystem Builder Summit in Davis, WV on May 15-16th. Mike and Michele cannot attend. Mike invited others to let him know if they'd like to attend (travel costs will be on them).

The June meeting is in Ft. Lauderdale. Members should respond to Mike's assistant with regard to hotel needs.

TREASURER'S REPORT

Lisa thanked people for paying dues quickly, as it really helps with cash flow. The accounts receivable is within manageable limits. All other reports and finances are on track. And, she is looking to have actuals and projections put together for review.

BOARD LIAISON ENGAGEMENT UPDATES

Jennifer has gained access to "Mobilize" and expects the AD list to be updated by the end of the week. She will conduct webinars in May with ADs. The purpose of the conversation is really to bring them together as a group, identify goals, plan for Sept conference, and increase engagement.

Mark said the northwest position should be closing within a week or two. Bill Carter's position in Oklahoma has been filled with the ASD (Michele Campbell) being hired.

Linda – In New England, the NH State Director search is underway and she is on the committee. Interviews are scheduled for May 15th and hoping to have someone begin July 1st. The New England states annual professional development conference and Core Competency program takes place the week of May 7th. The State Directors plan to meet with the new Regional Administrator and the six SBA DDs.

BOARD COMMITTEE REPORTS None shared.

OLD BUSINESS

Items done: Election committee, SBA goal recommendations, Economic Impact Survey.

PTAC program—FL did execute its agreement and has met probationary terms. DLA has given FL more money, due to national appropriations.

NDC Proposal – Mike plans to bring them in to Florida for training.

NON-BOARD MEMBER TOPICS – None were raised.

4:10 PM EST – MEETING ADJOURNED – motion by Mark with a second from Mike.

UPCOMING BOARD MEETINGS:

* May 21st (Monday) via WebEx

* June 14-15th (Thurs-Fri) Ft. Lauderdale, FL – in person.