



BOARD OF DIRECTORS

MEETING MINUTES

January 16, 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)	
	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 December 4th Special Meeting and December 18th BoD meetings 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 Mark. The Board voted unanimously to approve both meeting minutes.

PRESIDENT'S REPORT - Tee reviewed his report that was e-mailed previously. The government is facing a shutdown if Congress doesn't pass a spending bill, on Friday Jan 19th. The EB-5 Visa Program is also set to expire and appropriators are still trying to reach a deal on discretionary and defense spending levels. The \$81 billion Disaster Aid package remains under consideration in the Senate; as was passed in the House but the Senate is negotiating. On immigration, if there is a bipartisan agreement that the administration also supports, legislation addressing DACA/Dreamers will be taken up. Funding for the Children's Health Insurance Program officially expired at the end of September and the short term funding is only for three more months. Tee shared that these items are all linked to the debt limit, the FY2019 budget/reconciliation and an infrastructure package that Congress still needs to address. This week, they are tidying up loose ends with the Senate working on judicial nominees and the House is working in DACA, NSA surveillance, Iran sanctions. He met with some Senate folks, and they are tracking the Disaster supplemental, taking our request but it is on the back burner for now. For the February meeting, Tee is looking into what might happen if a shutdown occurs (in terms of Agency interaction, the Host Summit and any change of location for the Client Showcase) even though Congressional offices are open. He is working through contingencies the best he can.

Additionally, Tee just received an email from the Small Business Committee asking about the impact on the SBDC of a shutdown; and while he didn't believe we have an immediate issue with the assistance of our hosts, he doesn't want to misspeak for others, given that we're on the second CR. He'd like to gather everyone's opinion on this today. Christian mentioned that there is a difference between calendar and fiscal year programs and whether programs have their NOA, and those that don't will have greater impact.

ACTION: Tee to send a general note out to membership to solicit feedback.

However, in order to give some feedback right away, Tee will describe the impact of a shutdown related to the absence of a NOA, especially for calendar year programs which are two thirds of our programs, and how it may result in reduced functionality, as the host institutions have no award agreement to rely on in support of operations. And explain that there is some impact to fiscal year programs; with the SBA staff on furlough they would not be able to process reimbursement requests which would impact cash flow for the program. There was some discussion related to the funding level used by the SBA (between the President's budget, and the CR). Tee is going to try and find out why there is such a delay from passing the Omnibus until it gets to the SBA as he is not sure what happens between the OMB and the CFO's office.

Regarding the Legislative meeting, Christian asked if it would have a financial impact to the Association. Tee shared that we could still go forward with our meeting as Congress is still around. And Mike confirmed that it would make sense for us to continue to hold our business meeting and conduct our advocacy efforts. Tee will check on subsidiary services on Capitol Hill that would be impacted by a shut down and any adjustments needed on the location of the Client Showcase.

For Fall conference, Tee has been talking with the House and Senate folks on how to involve them as speakers and work out logistics. Also, he'd like to get Vice President Pence, or someone else to attend.

Lastly, regarding Chrisman and NBRI-he will be asking all state and regional directors to provide him with permission to request downloads from NeoSerra and CenterIC. The download will follow the 641 format and have approximately 53 fields. NBRI will only use about 20 of them to contact clients and conduct the survey; and then they can plug all that information back in. They will provide raw data on a state by state basis but not the same sort of individual information provided by Dr. Chrisman in his state reports. The survey will cover both 2016 and 2017 clients and with that he's anticipating a cost of approx. \$95,000 for the survey and analysis; it may be less depending on the overlap between years. They'll be able to provide each network with the ability to customize the e-mail message to the client including the addition of network specific questions if desired. We will be able to differentiate impact between long term and short term clients and industry, to help us have a broader view of our impact. Michele asked Tee to clarify what the individual states will get. He said they will get the raw data back on those clients, so individual states could give it to Chrisman. NBRI will also produce a national survey so we can compare for this control year. Several members expressed concern over the increase in cost (and/or the 2 versus 1 year time frame) since the November estimate of \$30,000 was given. Board members generally felt that it seems worth at least trying it this way now, to see how much of a difference it makes in response rate. Greg stated that every state we will get a tremendous amount of information, and they will get access to all the data fields in an Excel format and will have timely and meaningful data without a tremendous amount of work.

There was some discussion around securing permission from SBA to give our client names to an outside party. Tee described that NBRI is a vendor just like CenterIC, Neoserra. And, that the Association is contracting on behalf of the membership to do this work. It was suggested that the contract language spell this out clearly. Tee assured us that the vendor will collect and collate the data and the contract will describe that all of this information is provided by the member networks and it is confidential and not to be disseminated in any way, shape or form. It was felt after Tee reviewed Sect. 7 of the Small Business Act, that no one else needed to approve this contracted use of NBRI as a vendor. SBDCs are required to assess and have quality controls in place, including surveying of customers. Tee will ensure it is clear, and that we are in compliance with the law, and that NBRI is acting as an agent of the small business development centers, as represented by the Association.

Greg moved that we authorize the expenditure out of operations (in the amount that is above what was budgeted). We had passed a motion last month to fund the cost of the NBRI project in the amount of \$80,000 from operating reserves (which requires two-thirds vote of the members of the Board), whereas use of strategic reserves requires a two-thirds vote of the common voting members of the Association; and that there would be no individual network costs at least for the first year.

Therefore, the motion made and passed by the BoD last month would be void if we wanted to use strategic reserves instead. Greg and Lisa confirmed that \$20,000 is in the budget (which would cover the Chrisman amount only). To clarify the voting and amount needed, Tee read the by-laws section 4.16 which is posted on the Association intranet:

The Association shall maintain separate Operating and Strategic Reserve funds in accordance with policies and procedures that may be established from time to time by resolution of the Board of

Directors. The Association shall maintain the Operating Reserve Fund. The Association may only make expenditures or withdrawals of amounts from the Operating Reserve upon the approval of two-thirds (2/3) of the members of the Board of Directors for purposes related to the finances of the Association. The Association shall also maintain the Strategic Reserve funds. The Association may only make expenditures or withdrawals from the Strategic Reserve upon a two-thirds (2/3) vote of the Common Voting Members of the Association. Strategic Reserve shall be use for purposes related to the general advancement and interests of the membership as determined by the membership.

The number in the budget under G&A – line 10 (Impact assessment—is \$77,000 for both Chrisman and NBRI). We will need a motion to increase the amount, based on both NBRI and Chrisman and the two-years. Mike asked if should seek from Strategic or Operations funds. Tee’s point of view, moving to a new format for the survey to answer some of the questions and concerns of folks on Capitol Hill, is that it is a longer-term strategic maneuver. Others agreed. Therefore, the amount would be \$95,000 plus \$20,000 or \$115,000 in total.

ACTION: Tee to draft motion language to give to the membership. Mike will introduce and seek a second from one of our board members. Linda suggested that we provide clarity on what we are getting, aggregated, Chrisman, NBRI and what states are individually getting to avoid any confusion to members. An explanation such as “every participating state shall receive a data table with all fields collected of all responses” to be prepared by Tee.

CHAIRMAN’S REPORT

Mike reviewed the two open board action items. The first was for Mike to complete and send the SBA goal recommendation letter which was sent to SBA OED and OSBDC on January 3, 2018. It was also included in an update to all membership. Tee was to draft a letter to State Directors indicating program funds can be used for host partners to participate in the SBA host summit. He will send that out per an e-mail from Vicky.

Regarding Vision 2020, Mike is starting to give this some meaningful attention, and at this time all committees have met or plan to hold meetings. All Chairs should have them on a regular basis and then report back to the BoD. Mike plans to draft a letter to the network to create interest in the interest sections, and encourage others beyond SDs to sign-up as long as a person in a leadership position runs the meetings. Based on Christian’s earlier suggestion, we’d like to provide an opportunity/room location at Conference for these groups to come together.

A significant number (26 or so) of the SBDC programs have some PTAC affiliation. Mike said that he shared the letter that was sent to APTAC on behalf of the Florida SBDC and he suspects it is being run through their general counsel, and that the recipients may not be aware of the full situation. Mike has chosen to keep his communications limited to that of the Florida SBDC, but feels as though he is just first in line and it will be coming to others. He is currently awaits a response and asked others to share any concerns or thoughts. Katie Sewell mentioned that she has talked with Sherry and Robin and most items have been cleared up. However, they will not allow the SBDC logo on anything even though the SBDC provides the match money. Michele offered that they were allowed to put the logo on brochures, as long as it is not prominent. Tee asked about PTACs that are operated by a University versus an SBDC, and how they consider their relationship with the Host institution. In that case, it seems the University logo can appear, but not the SBDC. With this issue as well as supervision, there is contradictory information floating around and it seems in general that APTAC is working

through these topics, and there is different information being disseminated. Once Mike receives a response, he'd like to get the SBDCs with PTACs together.

ACTION: Perhaps hold a get together at the D.C. meeting and begin with a conference call to compare situations and facts. Mike asked Michael Brooks (through Bill) to arrange something prior to the Feb meeting, as leading the Interest Section.

Bill agreed and will reach out to Michael. Lastly, Mike referenced a letter that was sent to Tee from APTAC via mail, asking ASBDC to stop lobbying Congress to move the PTAC program from the Dept of Defense/DLA to SBA. Mike and Tee feel this is very concerning, not factual, as it is not part of our legislative agenda. Tee will share his response with the BoD and in it he will emphasize how he'd like to see us treated like the partners and colleagues they wish to have.

TREASURER'S REPORT

Lisa expressed her agreement that the Impact Survey come out of strategic reserves. With regard to the new State Director training and increasing the budget for this program as Linda had provided detail to the BoD, Mike said he has drafted a motion with respect to the ask. The motion is to seek funding from the Operational Reserves, on an annual basis. His proposed motion will ensure accountability to the Committee Chairs and place a cap on the amount of the expenditure. After looking at the year-end numbers of the budget; Lisa is planning to put together a "Guide to ASBDC financials" for the Feb meeting to help break it down for the membership. Otherwise, Lisa asked if there were any questions on the report. Mike agreed it would be helpful for both seasoned staff as a refresher and provide an "ASBDC 101" to new Directors and thanked Lisa for taking it on.

BOARD LIAISON ENGAGEMENT UPDATES

Noteworthy from Mark was that an offer was extended to a new State Director in Northwest TX, but currently is being reposted, for applications to be submitted, and that a Center Director is 'acting'.

Mike and Allan shared that Casey will be resigning from his position however will stay until someone else starts, expected in a couple of months.

Linda said that the New England group is working towards the May new SD program and the Feb "meet & greet" session with the Leadership Committee, and focused on related communication.

BOARD COMMITTEE REPORTS

Accreditation committee (Christian): They will be meeting in D.C. on the 9th and 10th and he asked for feedback on the Accreditation flyer that was circulated. Those who reviewed it thought it was very well done.

Conference (Mark): Call for presentations went out, they are due Feb 9th and Brett is point of contact. Mark will follow-up to ensure SD approval is added to the submission process going forward.

Leadership (Linda): Mike illustrated the outline from Linda for the request, and some discussion took place around this being a framework that is consistent and equitable. The intent is for a one-year motion and funding. As a result, Mike proposed motion to support the new State Director process for 2018 as follows:

Chairman Michael Myhre moved that a stipend be granted from operational reserves to the designated participant parties of the new SBDC network leadership onboarding allocated based on the following -

Host SBDC Network:

Up to \$1,000 to the host SBDC network to support actual costs incurred to host the training event.

New SBDC Network Director Participants:

Up to \$1,500 each for up to six (6) participants to support actual travel costs incurred by the participant. Participating directors who have more than two (2) years of experience as Network Director do not qualify.

New SBDC Network Director Mentors: Up to \$1,500 each for up to six (6) mentors to support actual travel costs incurred by designated mentor of a participating new director.

Other Participants: Up to \$1,500 each for up to four (4) other participants necessary to conduct the training as designated by the Committee Chair.

Signed travel expense report and receipts must support reimbursed costs. Costs above the allowable stipend are the responsibility of the Host network and designated participants.

Total ASBDC Obligation (Max): \$25,000

MOTION by Mike with a second by Michele. PASSED 9-0 (Absent: Terry Chambers)

Legislative (Allan): Mike spoke with Brian Goldstein and there is a legislative committee meeting for next Monday, and Mike has prepared a list of members of Congress from authorizing committees and appropriation sub committees, matched with network directors. Brian has sent an invite out to those Directors.

Marketing (Michele): The new Chair is Daniel and the first call is tomorrow afternoon. Mike included a reminder of SBDC day promotions.

Operations (Greg): Another meeting will be coming up soon.

Research (Lisa): The R&D committee has been empowered to collect information on our behalf. The committee held their first meeting with Neil as Chair and Lisa mentioned that they can help the BoD respond to questions about dues structures, definitions, etc. Greg asked about data collected but not shared and encouraged the use of data sharing so we all benefit from negotiating database contracts with vendors. The data collected was part of a leadership survey conducted last year. All BoD members were given the raw data at that time. Greg stressed that having current data should be a high priority on who is using which programs so colleagues would know who to call. Lisa said several SDs were okay to provide the data but worried about potential repercussions with vendor relations on pricing/terms. Lisa said it would be good to get further input from the BoD, as to the comfort level SDs have with the distribution of this information.

Interest Sections (Terry): N/A

International Trade Interest Section (Bill): Working with SBA on intermediate certifications. Bill prepared a written summary of our views on the issue of the upgrade of the intermediate trade exam and the certificate retention requirements. He has submitted it back to the Interest Group and will encourage a response in order to get something back to the Agency and Steve Sullivan. Our preference would be to go with the NASBITE certification. STEP personnel will be joining us at the BoD meeting on Feb 11th at 1:30 p.m.

OLD BUSINESS

SBDC Economic Impact Study (Allan): Nothing additional to add from previous conversation.

SBA Host Summit Agenda and Update (Michele):

They have come out with a tentative agenda and Mike included it in the membership update. Michele worked to identify hosts to participate in a panel discussion. Mike thanked Michele for her work to put together a great mix to represent us. Michele added that we're waiting on the SBA to get the contract completed with the venue which she believes is within walking distance from our hotel. This contract is required before they can send out formal invitations, expected this week to both host and SDs. It will be a half-day meeting, finishing up just after lunch. Michele submitted the host participant proposals to the SBA, and she stated that they have already agreed to participate. Mike will moderate and prepare advanced questions with a member of the national Advisory Board. We will need to decide which SDs participate on a panel with SBA. The purpose of this panel

would be to talk about the value and collective impact of the SBDC. Lisa asked if a good next step would be to contact our liaison group this week to solicit SDs and Michele agreed. Allan stated that, if needed, the University of Georgia, being such a strong partner, could be a good story to tell. Ideally it would be good to have balance in size of program, and geographic representation, and be delivered from seasoned State Directors. Mark thanked Michele for her heavy lifting on this project.

NEW BUSINESS

Feb 11th BoD meeting and Membership meeting on Feb 12th. Mike is starting to build the agendas and has allocated 15 minutes for the Treasurer's ASBDC 101, 5-minute updates by Committee Chairs and/or Board Liaisons. Membership votes – strategic reserves vote is the only one planned and should be a description and a voice or hand vote. Additionally, Mike would like to have a deeper conversation on the SBA goal recommendation. He hopes to have received a response from SBA prior to our meeting. At 1pm we will have SBA come in for some engagement with us. At 2pm we will focus on Legislative strategy, including talking points, and consistent messaging. The webinars will take place prior to our Feb meeting.

ACTION: Tee to invite Omar to attend this.

Mike encouraged BoD members to let him know of other new topics for the BoD meeting agenda.

Greg brought up the SBA scorecard on training events and how the referrals are viewed and reported. This may affect them and us. Mike asked to see a SBA scorecard once anyone sees it. Greg also mentioned the difficulty/challenge of short reporting on the business starts in EDMIS. Mike stated that the letter articulated this well and hopes to have an agreement or buy-in from SBA on how we proceed forward, including recognition that EDMIS does not represent reality of current goals.

NON-BOARD MEMBER TOPICS – None were raised.

5:05 PM EST – MEETING ADJOURNED - Mark made a motion to adjourn, with a second by Lisa.

UPCOMING BOARD MEETINGS:

- * 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.