



**BOARD OF DIRECTORS
MEETING MINUTES
November 15-16, 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.

**CALL TO ORDER
ROLL CALL**

The Chairman called the ASBDC Board of Directors meeting to order at 8:30 a.m. The Secretary completed the Board of Director roll call; quorum present.

PRESENT	BOARD MEMBER	NOT PRESENT
✓	Michele Abraham (South Carolina)	
✓	Allan Adams (Georgia)	
✓	Mike Bowman (Delaware)	
✓	Bill Cummins (Alabama)	
✓	Jennifer Deamud (Michigan)	
✓	Kristin Johnson (Nor-CA)	
✓	Steve Lawrence (Houston, Texas)	
✓	Greg Panichello (Kansas)	
✓	Linda Rossi (Vermont)	
✓	Lisa Shimkat (Iowa)	
✓	Tee Rowe, America’s SBDC	

APPROVAL OF THE MINUTES – Minutes of the October 15, 2018 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 Mike. The Board voted unanimously to approve.

PRESIDENT’S REPORT - Tee shared the following:

National Impact Survey – he is working with Beth Melnik to develop and issue a new RFP which will make it much clearer to the vendor on what we are trying to accomplish. Tee plans to have the contract awarded by January, which will give us an earlier start.

Director of Strategic Initiatives - Christian Conroy's work is off to a good start. He is helping CT, WV, USVI and Guam on their new SD hires and developing the Leadership Institute.

Conference – 2018 did end up well and narrowed the budget gap. They had a site visit in Long Beach for 2019 and looking to contract with a housing service, to make it easier to work with the six different hotels involved. Corporate/Other – ASBDC staff are working on a new product referral program with Intuit. DoL/IRAP - The next meeting with the industry recognized apprenticeship group is on 11/26. Tee feels the relationship could be valuable related to skilled workers in light manufacturing, who are our clients. AJ Gallagher Cyber insurance – they are a leader in offering cyber insurance and have an assessment tool that we're working to help get FedRamp certification for. Web.com – sent Tee a referral agreement; they are trying to develop a one-stop online tool for small businesses. He has communicated to them that there is no exclusive relationship with SBDCs. IBISworld – Tee spoke with Troy Schulte about our interest in a national license similar to MEP. He hasn't given a clear indication of how they establish pricing but insists larger networks are already receiving deep discounts. Mike Myhre suggested that since our host institutions do research, and we are a subset of them, perhaps we could make a contribution toward the extra costs incurred by their libraries. Greg mentioned Gale also.

ACTION: The Research and Data committee to get updated info on which networks are using IBIS, what they are spending and amount of usage/# of reports, etc.

Legislative activities:

Election results – The House has changed hands and we expect new leadership on the Small Business Committee. Nydia Velazquez (D-NY) will assume the Chair and he expects Steve Chabot (R-OH) to remain on the committee as ranking member. Both are strong supporters of the SBDC program. We expect topics of interest to be disaster response, and support for underserved communities. In the Senate, Marco Rubio is likely to be the Chair and we have a great relationship there also. Staff from House & Senate will join us tomorrow morning to discuss the agenda for the coming year.

Appropriations – We have strong support from the House and Senate for hitting the \$132,600,000 mark in the final bill. The change in leadership may push the CR past Dec 7th and into the next Congress. There are seven outstanding bills and a bit of a hang up with Financial Services. Tee has shared with committee staff, our challenges of having to submit budgets at \$110m when Congress has funded us at \$130m.

Authorization – Two bills that passed and affect SBDCs are the Small Business Innovation and Patent Protection Act. This requires the US PTO to provide materials and training tools to SBDCs. Tee will contact them to coordinate this effort. And secondly, the Main Street Employee Ownership Act that requires SBA to update and extend its loan programs to better assist ESOPs and also requires SBA to increase ESOP information through SBDCs. Allan asked Tee to review the other topics on re-authorization. Tee explained that there wasn't agreement on all three ED programs; and they want to move an entire ED bill. He thinks the change in chair will help us. It's been about 14 years since we had an authorization of SBDC and there is a lot within section 21 to be updated, changed and clarified.

ACTION: Legislative committee to review the language to better define negotiation versus consult and re-authorization, privacy regulations.

Rural - Tee is not sure what SBA and USDA are thinking for rural collaboration. This would be a good topic for tomorrow with committee staff.

Goals/Data – Tee said we can use the jobs supported number in our advocacy on the Hill. It speaks to how we help clients who employ “x” number of people. The total touches speaks to the breadth of our services and constituents served. Tee plans to send a white paper to the membership on the importance of trying to meet the new goals and explain that SBA has oversight responsibility; we should continue to focus on collecting the measures that are truly important to our stakeholders. We can highlight these important measures through an annual report, with strategic districts highlighted. We have a great story to tell and a solid reputation with Congress. Each network should write its own story to be included in an ASBDC annual report. More discussion on this later in agenda as we prepare for Feb mtg. Lisa has been working with Adriana on goals, and on the SBA webinar trainings. Tee has the PowerPoint slides/materials from the webinars.

ACTION: Tee will put it up on ASBDC website and alert membership that it is there for viewing.

CY Funding Opportunity – came out 10 days ago and networks have until November 30th to submit.

OIG report – The SBA Inspector General released a report which is a collection of ED programs over the last four years. It requires OED to improve performance management of SBDCs, VBOCs, SCORE and WBCs and have better training of SBA staff as well as adherence to “efficient and effective” performance.

GAO survey – They are surveying SBA ED programs on behalf of Congress, with special interest in the support provided to historically black colleges and underserved communities. DC and MD SBDCs so far involved.

EDMIS accountability initiative – Christian distributed a handout which was discussed with board members. Ideas were floated such as members sending data direct to ASBDC, or to authorize CenterIC/Neoserra to send the data to ASBDC but settled on a quarterly survey from ASBDC. The goal is to get from each network, the four goal #'s that are reported to SBA plus:

- Total # of C&P hours
- # of training events
- # of training attendees

ACTION: Tee/Allan to draft something to the board on the process. Process will be a quarterly survey from the Association office. Suggest multiple emails to the membership to tell them this is coming. The survey will come out on the last business day of the month following the close of the quarter. Therefore, the first survey request will be for Oct 1 – Dec 31st data at the end of January, 2019. Each board liaison should share the purpose of this with their members.

CHAIRMAN’S REPORT - Allan discussed liaisons to states as follows:

Tee Rowe	All
Allan Adams	All (Georgia)
Jennifer Deamud	Associate State Directors
Steve Lawrence	Texas and Oklahoma
Lisa Shimkat	Arizona, Colorado, Nevada, New Mexico, Oregon, Utah, Washington, Iowa
Mike Bowman	District of Columbia, Maryland, New Jersey, New York, Pennsylvania, Virginia, Delaware
Greg Panichello	Idaho, Missouri, Montana, Nebraska, North Dakota, South Dakota, Montana, Wyoming, Kansas
Bill Cummins	Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin, West Virginia, Alabama
Michele Abraham	Arkansas, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, Virgin Islands, Florida, South Carolina

Kristin Johnson	Alaska, American Samoa, California, Guam, Hawaii
Linda Rossi	Connecticut, Maine, Massachusetts, New Hampshire, Puerto Rico, Rhode Island, Vermont

BOARD LIAISON ENGAGEMENT UPDATES AND NEW ASSIGNMENTS

The following will be new committee and interest section liaison assignments:

Committees:

Accreditation Committee: Jennifer Deamud

Conference Committee: Kristin Johnson

Leadership Committee: Linda Rossi

Legislative Committee: Greg Panichello (with Tee/Allan)

Marketing Committee: Michele Abraham

Operations Committee: Greg Panichello Research and Data Committee: Lisa Shimkat

Note: Lyle Write mentioned as possible new Chair; all other Chairs remain the same.

Interest Sections:

Ag/Rural: Tee Rowe

Cyber: Greg Panichello

Disaster: Steve Lawrence

International Trade: Bill Cummins

Millennial/Youth: Linda Rossi

Minority: Tee Rowe

Procurement/Government Contracting: Bill Cummins

Technology: Mike Bowman

Veterans: Tee Rowe

Women’s: Jennifer Deamud

Note: Jennifer is board liaison to all those without specific liaisons

ACTION: Allan will communicate with committee chairs. Jennifer will continue to stay connected with chairs of interest groups. Linda will send these updated contacts to Donna/ASBDC.

Bill shared that the Heartlanders group met and they will host the 2019 and 2020 new Peer Exchange program for new SDs. Also, Bon did a presentation on their new client readiness tool. Perhaps we could survey networks to see if networks have an online tool to do this; and then see if there is interest in having an “America’s SBDC” tool. Jim (OH) gave an update on a certified business advisor pilot program that is very comprehensive. To date, 33 SBDC advisors have participated. They are ready to market it to others.

BOARD COMMITTEE & INTEREST SECTION REPORTS

Conference - Joel said that the 2018 conference went very well and survey responses came back very favorably. They are tweaking some internal committee processes, after surveying them also. He thanked outgoing members, Rod and Drew, and has some new members being finalized. They will have monthly meetings starting the 2nd week of December over Zoom. Call for papers, will open first of the year, close around Valentine’s Day and conclude by April 1st. Similar to last year, all SDs will be notified of who has submitted. They are also working on onboarding members and writing definition for committee duties with reviewing submission and

conference logistics as the two top roles. Joel is happy to speak to regional-sub groups (as he did recently for the Heartlanders).

Accreditation—no new updates.

Marketing committee is working on the prep for national SBDC day on March 20th.

Leadership – Linda described the 2018 new SD Peer Exchange in Burlington, VT on October 25-26th.

International Trade – Bill shared three things:

1. Update on Fed Reserve Small Business Survey. Thinking about doing this every other year or stagger SBDCs. Bill thanked everyone who is participating.
2. International Trade interest group- Looking at what can be done to help other networks increase their trade advising work. How we relate and work with other partners in trade.
3. America's SBDC – joined a new export coalition in D.C. which is in a formative stage with a meeting in January. Goal is collaboration, common messaging and to leverage resources; it is non-partisan.

1:00 with SBA: Allen, Andrew, and Adriana. Allen-welcomed new board members and congratulated Allan as Chair. Discussed the 2017 drawdowns and referenced networks with funds not used and a reminder of the deadline. His information includes those who have submitted but not been reimbursed.

ACTION: Allen will send us the list.

Regarding personnel, the AA slot is vacant. Acting in that role is both Allen and Adriana, with Bruce as the deputy. Erika Fischer retired at the end of September. Her portfolio was disbursed to the others for now, and potentially the program manager job description will be coming out soon.

He felt the Host summit went well and included good conversations with stakeholders. He is entertaining the idea of doing it again, while recognizing that the timing is tough with the start of the school year at higher education institutions.

His EDMIS update included that they are working with those well versed in IT to get viewpoints, including State Directors, in advance of making a change. He said the Administrator is aware of the EDMIS situation as Allen has brought it forward to let her know it is his #1 priority.

Allan A. raised a concern with the new goals, and lack of confidence in EDMIS, yet still being accountable for those new goals. He shared that there is greater anxiety as we start FY'19, and enter a new environment with new metrics, yet remain at the mercy of an old system with the same problems of the past. SBDCs are comfortable being accountable, but there is concern about how the EDMIS system impacts SBA's accountability of SBDC programs. Allen said that if he could get numbers from us, they would compare them and doesn't feel that there was much attention put on this during the last 7 years. He agreed that it has to be fair and they cannot be heavy handed if not using the right system.

Allen asked about the northern CA network (two versus one) consolidation request. Kristin explained that they are operationally one, but for SBA-have two budgets and two sets of goals at this time. He would also like to talk more about accreditation for SBA to be at the table. He talked about the FY/CY programs and possibly entertaining having all move to FY. He discussed how WBCs are 'forward funded' and what that model might look like for SBDCs. The current model makes paperwork, especially in a CR difficult for everyone. Allen is not sure why SBDCs were not done as forward funded right along - as with sub-recipients, life would be easier. Allan A. said we would be interested to look into this. Allen said they have two new folks aligned with faith based/community initiatives and there will be upcoming trainings, focused on Native Americans.

Other – have received interest from YWCA as being sub-centers. The COO of YWCA, who is a friend of Allen’s who like to talk with SBDC leadership. He will make an introduction.

Steve Lawrence asked for more clarification on what 2019 as a transition/baseline year means. Allen said baseline means that everyone is reset, for 100% goal attainment, however they will not hold networks accountable that are striving to achieve goals.

TREASURER'S REPORT

Greg described the 2017 audit and copies were provided to the Board. Cash flow is as expected; we are on the line of not having to draw funds from the reserves. Investments continue to stay ahead of our expenditures, which is good news. He believes it is time to re-balance our investment portfolio. Accounts Receivables are clear, and he complimented the ASBDC staff. Projects operations will lose between \$110-120/year. This was due to authorizing \$50,000 for the additional position. We will also lose money with the SBNA grant ending. There is nothing to replace those. As we move into the 2019 budget, key issues for discussion include:

- *How much do we want to take out of operational reserves?

- *Do we need to pay attention to registration fees (was \$795 for 2 years)?

- *Member dues. One less program. Equity and distribution of dues-based on different methods. We need to have those conversations. In December we need to discuss what will be prepared for the Feb membership meeting.

P&L is doing exactly what we expected. Likely to spend more in Long Beach than in DC. State Dept-is talking about SBNA going. 105 attendees came to conference as a result of the SBNA grant. Greg calls for a balanced budget each year. The Finance-Investment committee is currently inactive. Tee said JP Morgan can make a recommendation to us on liquidity. Additionally, the Capitol Hill reception is no longer an experiment and should be built into our operational plan. We also more than doubled the budget for the new State Director onboarding program. The budget doesn’t accommodate these increases and additions.

ACTION: Allan suggested that we put some time on the Feb face-to-face meeting—to look at dues structure.

About recent disaster recovery efforts:

Mike shared an update on the disaster recovery activity in FL from both Hurricane Michael in the north and Red Tide in southern regions. Michele shared that the damage was isolated to a small number of counties. For four years in a row, almost to the day, several of the same towns have been impacted and may not recover this time. Most were heavy tourist areas; the governor mandated evacuations. Allan said in GA the impact was in rural low populated areas; mostly agricultural impacts at harvest time – including pulp & paper.

Christian—Leadership Institute. He gave a handout to the board with an update on his activity and emphasized that the services are not only for new SDs, but to support all levels of leadership. Christian is looking to demonstrate how various activities are integrated, coordinated. The Advisory Council met on 11/8 for that purpose. He has developed templates for hosts during the transition process and shared them with the leadership committee. He gave an update on timelines in Mississippi, Michigan, CT, Guam, VI and WV. He asked liaisons to alert him, to help get the host involved before the State Director leaves or announces they are leaving – as this makes the transition process more smoothly. He talked about the Peer Exchange and the good ideas that were suggested. He sees his role as helping with continuity/support. He suggest we formalize the professional development opportunities, and described a calendar, which includes round tables; the Orientation that Kristin Johnson has been leading (for whomever the SD designates to come—and can include

Finance Director/ADs). These would be offered on a semi-annual basis; the Peer Exchange, Accreditation (standards) and Accreditation (process & best practices). Christian mentioned some short webinars and distributed a draft 2019 calendar. A suggestion was made to share regional SD meetings and regional professional development events so the membership will know about them. Some of his upcoming projects include: Network LINK Up e-newsletter, consulting engagements in PA, MN and opportunities for revenue generation/sponsorship dollars. He gave an example of Franklin Covey and possibly expanding the sponsorship beyond ASBDC to include funding for regional professional development. Bill recommended that each liaison group could have Christian attend their meetings.

Prep for tomorrow with Congressional staffers and key themes include: Rural is challenging without broadband. Business succession in rural areas. Administration is looking for big numbers. SBDCs are effective. The way we are effective requires local support (match) and it varies/must align with the economic situation of the network/state in order to meet small business needs. Accreditation – SDs assess the local needs and gear local offerings to meet them.

Day 2 – Friday, November 16th. Restart at 8:15 a.m.

Allan summarized Day 1 and reminded board members to take a look at the last round of financials. Donna is working on budget for distribution next month.

Meeting with Congressional Staff: Tee described the changes expected with the new Congress, our priorities, and mutual goals related to small business topics. Some of these include Cyber, Disaster recovery and the Opioid crisis. Discuss priorities - how we can work together, on mutual goals.

Joining the board were:

Helene from Congresswoman Velazquez's office. Included in the discussion: Their bi-partisan work across the Chamber, streamlining response to disaster recovery, including the fires in CA. They know we are on the front lines, helping businesses navigate these challenges. Cyber continues to be a big issue in rural areas. It is difficult to target and serve markets where losses are happening. Perhaps there is an opportunity to work through HubZones. Connectivity with apprenticeship programs and tangible skills should translate into workforce development.

Maggie from Congressman Chabot's office. The discussion: rural issues, access to broadband, access to resources. USDA is getting a huge grant for broadband deployment. Discussed the big problem tied to succession planning and how towns disappear when small businesses close. Small businesses that can't incentivize workers. Allan mentioned the challenges for businesses related to employee soft skills such as time management, attitude, etc. Mike mentioned possible tax credits. Other discussion on youth and entrepreneurship. With regard to the opioid epidemic –there have been hearings on this issue about the impact to small businesses, employees unable to pass drug tests.

Teresa from Senator Cardin's office. The discussion: ASBDC and Jason Dorsey generational study on millennials owning a business. Discussed reauthorization. Sen. Cardin focused on access to capital for women and minorities. They have also learned from Tee about the new SBA goal reporting. Would love to learn about how that goes, is it working, how is our relationship---continue the dialogue. If Sen. Rubio is Chair there will be active hearings on the calendar.

Suzanne from Senator Risch's office (on the phone). Added to the discussion on outreach to rural. She does think we got close to re-authorization and the ground work has been laid for SBDCs to come out pretty good. She asked about Opportunity Zones and how they are working. Board members gave input to their individual coordination. Mike B mentioned the Biden institute conference on Opportunity Zones in Delaware.

Other general comments: Tee described the shift in thinking around the negotiations process. The statute is clear that there is intent for individually negotiated funding opportunities. Tee explained the problem we are having with consult versus negotiate and that we can't consult to arrive at a negotiated agreement. Tee also discussed the privacy issue and that the last thing a small business wants is their information in a federal agency repository. Allan mentioned that local funding and resources are different in each state. SBA is looking at it as if everyone should be able to produce in the same way. Also, Tee mentioned that we keep and believe in longitudinal trends (versus a snapshot of new business starts that happened and may be out of business in 7 months).

Bill talked about international trade activities and that we need more information on the impact of the tariffs, so that we can help our clients with technical assistance. He gave an example of the port in Mobile experiencing layoffs at record numbers as a result of the tariffs and the reduction in soy bean exports. Capital access is key to their success, we can help them get into new markets. A concerning trend exist in small businesses that don't think this is the time to export, due to uncertainty. Helene said this is a matter of great importance to Cong. Velazquez.

Tee provided a recap by saying we have a lot of opportunities to be instrumental. For example, with disaster recovery, we are there. In many cases, we are all there is. Why is this administration not funding the Rise act? Rural issues – (MOU between USDA/SBA is all about lending). We provide so much to rural areas – and know where the gaps are including broadband, succession planning. SBDCs can tell the story – based on local need, local resources (\$), etc. Incorporate the focus on rural in the annual report. How we're different because of our cooperative agreement (statewide) model.

In preparation for Feb meeting: SBDCs are set up to cover the whole state—rural to urban. We also help (and often don't promote) the soft things we do in communities. For example-student engagement (Alabama); CA has a Vietnamese focus. Transformational versus transactional impact.

ACTION: One page for each network (success story plus a blurb) to ASBDC annual report. Include how we are transformational – “more than your finance package, more than business plans”. Tee to send out a reminder. Could profile companies that are coming to the Client Reception as those state's annual report submission. Marketing Committee—Michele to share the annual report concept to them to get input/feedback.

Board members reviewed the February legislative meeting schedule. Allan asked to have a slide showing the last 15 years---budget levels; Congressional funding levels. New Director (Orientation) on Saturday. Wed the 2018 new SD cohort with mentors/hosts will gather as a reunion.

ACTION: Leadership Committee meet to discuss new/additional facilitators for New Network Leadership – Orientation.

ACTION: Leadership Committee get together in Feb – discuss roles and materials that go along with each step.

Board discussion of the re-authorizing cap and looking at the new one; what it should be. Perhaps the MEP authorizing funding limit could inform us. Also discussed the Leadership Survey and what we do as the board in response to it, specifically around the question on recognition and brand. Members thought targeting the younger generation by having an America's SBDC YouTube channel would be good to explore, along with online resources since a young person looking to start or grow a business may not seek out traditional resources/formats that we have used in the past. There was agreement that an online educational aspect is needed; we are uniquely situated to offer the same high touch, personal support that differentiates us in modern ways. This will be a good conversation to keep going with the marketing committee.

MOTION TO ADJOURN: By Greg with a second from Kristin. Meeting adjourned at 11:45 a.m.

NEXT BOARD MEETINGS:

Monday, December 17, 2018 3:30-5:00 p.m. EST

Tuesday, January 22, 2019 3:30-5:00 p.m. EST

Sunday, February 10, 2019 8:30-4:00 (D.C.)

(Tee sent out updated board meetings/calls – in email dated Tues, 12/11/18)