



BOARD OF DIRECTORS MEETING MINUTES September 2, 2019

*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

The Chairman called the ASBDC Board of Directors meeting to order at 8:30 a.m. and welcomed all non-board members in attendance.

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)	
✓	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	

SECRETARY'S REPORT/APPROVAL OF THE MINUTES – Minutes of the July 15, 2019 BoD meeting were sent out by e-mail (there was no Aug meeting). With no additional edits suggested, Allan asked for a motion to approve them as presented. Motion to approve from Greg, with a 2nd from Steve. The Board voted unanimously to approve.

CHAIRMAN'S REPORT

Allan offered comments about closing out the federal fiscal year and the 3rd quarter results from EDMIS sent out by SBA. He suggests all SBDCs continue to document concerns related to differences in data as SBA makes

policies based on data that contains errors. Allan asked FY programs what they included for goals in their proposals. Tee said George understands the benefits of negotiating goals given the differences in each network. A recommendation came from non-board members for a script to guide conversations when talking with SBA.

ACTION: Tee will send out some talking points to SDs.

Allan suggests SBDCs continue to focus on results and outcomes, and knows the next board will work with the membership and SBA about metrics and data. Allan said we should be sensitive to government's need to see data, and is pleased that George is interested in learning. The board reiterated how SBDCs need to show value in our states to other stakeholders and demonstrate how SBDC fits into the state's economic development model and avoids competing with others in the ecosystem.

Christian mentioned that SBA is looking at the same four performance metrics with Portable Assistance grants.

Board suggested the following as key talking points for meeting with SBA later today: Clear communication about what is expected; Operating under a Cooperative Agreement; Understanding that when we have wide discrepancies in goal attainment it is due to goal allocation methods; Program Managers' variation in their responsibilities; and Opportunity Zones (give George some examples of what we're already doing).

PRESIDENT'S REPORT

Tee provided an update on conference, which is currently at 94% of targets. He is uncertain about the impact due to the loss of attendees from Florida and South America. Since we are trying something new with a convention center and seven nearby hotels, he is very interested in getting feedback on the pros & cons of this arrangement as it could open up other cities and locations for future consideration.

Association: Tee sent out a draft of the audit, showing no findings as well as the Chrisman survey. The annual Member Survey had 100% participation and Christian Conroy will present responses later today. Dr. Vardaman will be here for the State Director round table and has been very responsive to our needs. Tee mentioned the roll out of Cyber Security "First Steps" and the partnership with ASBDC including getting agreements in place and funding through the foundation, and he will then go out to the networks to support the initiative.

Legislation: We are in great shape with Appropriation, having a mark from the House at \$150m. The House has moved all of their appropriation bills and got a budget deal which sets spending caps. The Senate has not taken action yet, and will return on Sept 9. Tee expects we will have a CR and thinks we will end up around \$140m. He is discussing reauthorization with Meredith (Sen. Rubio) of the Senate Small business Committee. Tee summarized the previous drafts that would have had major structural change for Entrepreneurial Development; now the focus is simply on collaboration. He is also looking into increasing the minimum funding to \$600k. Tee is watching the RISE Act for disaster assistance and the draft language looks good at this point.

ACTION: As soon as Leg council has it to Tee, he will send it out to us.

With regard to client confidentiality, Tee has made it clear to the committee that there are challenges in tracking with a single identifier, as well as diminishing the long-term satisfaction of clients.

SBA: Tee thanked Lisa and the data committee for their work as a liaison to SBA on metrics and performance. On the topic of HBCUs, GAO contacted Tee to ask about SBA's outreach activity to HBCUs. Tee thinks we have some great opportunities here, despite the challenge for some of them to come up with matching funds. Michele mentioned the recent survey of the networks with HBCUs, and said we will repeat it annually.

IG: Tee summarized the SCORE audit and said they are now reviewing WBCs so SBDCs will be next. Tee shared that he thinks we are in a unique position, since SBDCs are university-based with layers of oversight and grants office personnel built in. We will need to pay attention to the simplified acquisition thresholds and managing that documentation and process.

There was some discussion on writing proposals at the President's budget level vs. the CR level. Tee suggests we review this situation with our finance officers. Tee will look into our rights, the Association rights, and what the IG can do.

ACTION: For November board meeting, Tee will prepare some things in writing for the membership, and will reach out to our counsel.

Lastly, SBA is considering holding the Host Summit during the February meeting in D.C.

TREASURER'S REPORT AND 5 YEAR BUDGET FORECAST

Greg said the financials are in for last month, and we are on track. We have a strong cash position; this is the time of year with lots coming in and going out that is associated with conference. The cost of the audit is between \$15-20k. Greg showed the 5-year plan and reiterated the options for increasing revenue; that of raising dues, raising conference fees or applying for grants. With a lot of value provided from strategic initiatives, we have moved them to be separate from core operating budget items. The money to cover strategic initiatives for 2019 came out of strategic reserves after a vote last February by the membership.

The board has a sub-committee to help with the longer-range forecast; the board will come to the membership with some recommendations. There was a question about reserves, and liquidity levels and what level of reserves are appropriate.

ACTION: Bring it up for review, and consider putting in an interest-bearing account. As the board prepares the budget, incorporate the dues adjustment, and bring to membership for a vote.

With regard to the dues, there was discussion on what is fair and equitable. The cap has not been changed since 2011. Allan mentioned the minimally funded states, as well as addressing members who question why we are looking to increase dues if we have money in the bank. The data committee (which is represented by all types of states) will look at various scenarios, plus the fee structure for the legislative meeting and fall conference.

BOARD COMMITTEE AND INTEREST SECTION REPORTS

Accreditation Committee (J. Keenan)

Jody shared that they gave George and Andrew an overview of the Accreditation process in August. On Friday, they on-boarded two new members (Linda Rossi and Bruce Strong) and are now at 20 members. They spent the past two days discussing nine new reports, and updates on six others. The committee reviewed a draft of a standard addendum to pilot with "T" review states. Mike Brooks gave a presentation on the survey results. Overall, the satisfaction levels (in comparison to 2016) have increased a bit; and the satisfaction is at 96-98%. The committee requests that the Marketing committee look at the ASBDC branding guidelines as it relates to standard 3.3, in order to monitor and guide states on approved modifications to the logo.

In preparing for 2022 revisions, the committee will ask some states to pilot in 2021 in order to test the revisions prior to finalizing with a membership vote in Sept 2020. George commented that he was very impressed with the Accreditation process, and thought it was rigorous and robust. He mentioned an interest in seeing how to pull together the results of the various reviews that take place between SBA and Accreditation.

Conference Committee (J. Youngs)

Joel said the committee is excited to report over 1400 in attendance this week with the largest pre-con attendees that we have ever had. Every time slot has a Spanish-speaking presenter, and there are expanded

sessions on international trade. The committee accepted more intra-network speaker representations. Joel thanked new committee members and is looking for three additional members; including some State Directors who would add a helpful perspective to the committee. The committee has a monthly Zoom meeting. Key work is to review workshop presentations between Feb and April.

Data Committee (L. Shimkat)

Lisa reported on the committee's work with SBA on reporting and EDMIS. The committee will send instructions as to how to get close to EDMIS. They have taken screenshots of certain errors, and what to do to fix them. They are now putting together a list for both CenterIC, Neoserra and will work directly with individual networks. User groups have been set up for both CenterIC and Neoserra.

Legislative Committee (B. Goldstein) Tee has already covered.

Operations Committee (L. Wright)

Lyle said that the committee worked to provide input and suggestions to SBA on the Funding Opportunity. George provided the SBA response. Lyle suggests we bring up issues that have not been addressed including HBCUs, language be changed to reflect export counselor re-certification.

ASD working group (J. Deamud)

Jenn gave an update on the mentor/mentee project: 16 ASDs have requested a mentor, and there are 17 mentors. They will send out evaluations to continue to make improvements; this effort was the springboard to launch a new ASD onboarding program being run at this conference. Quarterly meetings are scheduled out until the end of 2020. The two user groups, for CenterIC and Neoserra will be announced during the ASD meeting and anyone with data responsibility can attend. The focus is to generate solutions. Regarding the interest section groups, all are active; each has a board liaison and 354 individuals engaged in at least one interest section group.

Marketing (Fitzgerald)

Allan mentioned the Accreditation committee's recommendation about the America's SBDC logo guidelines and suggested the committee could have a "re-education campaign" and take an inventory of the various uses of America's SBDC within the next 60 days.

ACTION: Check back with Danny and the Marketing Committee.

Danny gave an update on the successful 2019 SBDC day and announced that SBDC day 2020 is March 18th! On Thursday at 8:00 a.m. the Marketing Committee will host its annual Meet Up and share best practices.

Leadership Development (Rossi/Cummins)

Linda gave an update on the New Director orientation, that mentors are in place for new SDs; the Peer Exchange for the class of 2019 is taking place on October 21-22nd in St. Paul, MN. There are three SD round tables scheduled this week, on Wed/Thur/Fri from 8-9:30. Bill provided an overview of the three round tables as well as information on the Port Tour for SDs and ADs on Thursday afternoon.

SBA LEADERSHIP DISCUSSION

Tee received communication prior to lunch, that SBA was not joining the board meeting.

IMPACT SURVEY UPDATE

The Chrisman survey showed a 15.2% overall response rate from all 62 networks, with a 60/40 split (established/pre-venture), 91% positive reaction towards SBDC assistance; 66% of new ventures started businesses; \$6.6b in sales. The board discussed how outcomes have trended over the past five years. Tee said the upward trends are in revenue and sales of our clients. Beth gave some data on the response percentages of the past five years. Allan suggested that during the February meeting, Beth share tips on how to improve network response rates. There was discussion about why we do the national survey since it is very expensive. Many said it is a time-tested and credible survey, which offers an outside and objective view of our work.

BOARD NETWORK LIAISON REPORTS

Bill talked about the Heartlanders as upcoming hosts of the Peer Exchange. Michele shared that an ongoing concern in the southeast is maintaining client confidentiality. Mike gave highlights of the recent meeting in New Jersey. Lisa talked about the Big Squares meeting and their drop box which includes policy and procedures.

LEADERSHIP INSTITUTE/MEMBER SURVEY

Christian gave an update on activities including yesterday's Orientation for New Network leadership, and the upcoming Peer Exchange. Orientation is about management; Peer exchange is about leadership. Christian suggested that the networks copy him on our weekly e-mails to SBA.

He went over the annual network survey, question-by-question and anything noteworthy in the responses. Christian will pull out the data from the 18 minimally funded states, and present at the SBM meeting later this week. The responses by the membership on strategic priorities for ASBDC's will be good for the next board to focus on. Christian has been sharing funding opportunities with leadership; and this survey gave responses on those that have applied. Survey responses also showed planned transitions in leadership; responses showed 5 SD positions and 14 ASDs may have transitions in the coming year. Responses on the tools was discussed, including what price networks pay for them.

ACTION: Send out a request on what everyone is paying for subscription fees (and include # of users).

OLD BUSINESS

Regarding IBIS World and Market Line, Tee suggested a deeper dive to see if we can get some type of a nationwide license. He has a slide deck from Market Line and at first glance, it seems to be a useful tool.

NEW BUSINESS/NON-BOARD MEMBER TOPICS – None

Motion to adjourn: Lisa with a 2nd by Steve at 3:45 p.m.

3:45 – 4:00 PM EXECUTIVE SESSION to discuss personnel matters

Returned from Executive Session. Motion to adjourn: Mike, Michele to adjourn at 5:00p.m.

NEXT BOARD MEETING:

Monday October 21, 2019 3:30 - 5 PM EST