



**BOARD OF DIRECTORS
MEETING MINUTES**
November 13-14, 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.

November 13, 2019: DAY 1

EXECUTIVE SESSION The meeting was convened at 8:30 a.m. and immediately went into Executive Session. Executive Session concluded at 9:38 a.m.

CALL TO ORDER The Chairman called the ASBDC Board of Directors meeting to order at 9:38 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)	
✓	Mike Bowman (Delaware)	
✓	Carl Brown (Washington DC)	
✓	Jennifer Deamud (Michigan)	
✓	Laura Fine (Arkansas)	
✓	Marquise Jackson (San Diego)	
✓	Kristin Johnson (Northern CA)	
✓	Steve Lawrence (Houston, Texas)	
✓	Linda Rossi (Vermont)	
✓	Lisa Shimkat (Iowa)	
✓	Tee Rowe, America’s SBDC	

SECRETARY'S REPORT/APPROVAL OF THE MINUTES – Minutes of the October 21, 2019 BoD meeting were sent out by e-mail. Linda had a few small edits. Michele asked for a motion to approve the minutes as edited. Motion to approve from Lisa, with a 2nd from Jennifer. The Board voted unanimously to approve.

PRESIDENT'S REPORT

Tee reminded us that Staff from the Hill are coming to meet with us tomorrow. The Continuing Resolution expires on Nov 21st. Congress will be focusing on another CR. It would be in our best interest if they do several minibus packages. SBDC is in with Financial Services, IRS, Treasury, etc. Because of this, the minibus is clogged up. They have not finished the Military Authorization act—which affects PTACs. As far as our reauthorization goes, depends on what is going on in the senate. Rubio and Cardin need to come together on the regulatory reform bill and time is running short. We are really urging them to get it done.

Tee expressed concerns about the Opportunity Zones template and SBA overstepping in general. Tee thinks a Reauthorization Bill will bring SBA back to the table on how the program is managed. He also talked about the Prep Time concerns expressed by George.

Tee plans to work with each Board Member to have discussions with Liaison Groups about the upcoming Spring Meetings.

ACTION: Board Members need to set meeting dates with Tee and Liaison Groups as soon as possible.

Tee continued with a brief report on the 2019 Conference. Financially, the conference has been finalized. He stated that it was a good event in Long Beach, and is looking forward to Atlanta. Tee reminded folks to get their Real ID prior to Atlanta travel.

Marquise made a request of Tee: Going forward please include information about sponsor conversations and commitments in your President's Report. Tee agreed to do this in the future.

CHAIRMAN'S REPORT

Michele expressed that she hears membership loud and clear regarding the issues with Prep Time. The Board agrees with the concerns expressed. We are going back to SBA to push that issue again. None of us thinks it is appropriate for the SBA to micromanage the details of the program. She received responses from 38 networks about the ratio of prep/face time. The highest she had seen was approx. 3/1. Most are 1/1 or under. Clearly, there are exceptions. If SBA has concerns about the exceptions, they need to talk with the network they are concerned about, not manage at the national level.

Michele expressed that SBIR/STTR grant work, export clients, clients that are doing large capital formation work... these are the clients who are getting more prep, but they are also the clients that are making the largest impact. Michele asked other networks to respond with ratio of hours for prep/face time.

Michele said that she and Linda did talk with George about student time, and the importance of host relationships to tie into our students and classes. These are two-way successes. Part of our value proposition to hosts.

Ultimately, Michele is going to ask George to drop the whole issue. If he will not, they will ask him to move to a 5/1 average.

Next, Michele shared her surprise at viewing the Opportunity Zones template. George had said that this was going to be an easy ten-step template. He is still saying one event per year, but the template isn't in line with this. What they are looking at is more of an executive branch event... not a small business event. Michele intends to go back to George about the template.

Laura asked what happened with the "contracts as capital" issue? It is not resolved yet.

Michele said, Linda and she compiled all the input from the network and put it in a 3-page document for George. Three areas still working on: prep time, questions about when a business is bought/sold, and the jobs supported. George was clear that there was a lot of controversy among his own staff on these three issues.

Jennifer thanked Michele and Linda for compiling the information for all of us.

TREASURER'S REPORT

Marquise spent the day before the Board Meeting at ASBDC office working with Donna.

Board members reviewed financials. Marquise highlighted that Class 70: Conference showed a profit of just under \$200K. The profits are coming directly from the sponsorship level of the conference. Costs of conference have gone way up. In 2019 the cost was \$1064 per person, but we only charged \$895. This means that we "lost" over \$160 for every additional person who registered. This shows the importance of sponsorships. Food costs are a major cost of conference. We need to look at that.

Marquise continued: the rest of P&L is on track. SBNA has ended. \$50K of staff time that was billed to SBNA will come back to core budget. We need to look further at staff costs.

There was general agreement around the Board table that it is time to look at Membership Dues structure... we must figure this out soon.

NETWORK LIAISON REPORTS

Karl: He had a couple of calls with liaisons. No issues.

Steve: His group hosted the Peer Exchange meeting. Bruce hosted in Minnesota.

Lisa: Her group was expressing concern over SBA's recent increasing micromanagement.

Marquise: Nothing to report.

Kristin: She has had several individual phone calls with members. Concerns about SBA micromanagement.

Laura: She has lots of emails going back and forth. Regarding the upcoming review of our Strategic Plan: members expressed a desire to look at alternate metrics- GDP was tossed out. Bill Cummins and Mike Mhyre both are looking at this. The group is having a meeting in January in South Carolina

Mike: He cancelled most recent meeting. Upcoming meeting is taking place in a week and a half.

Linda: She has held one-on-one calls. Members are concerned with submitting proposals back at \$101 million level of funding. The annual professional development conference in New Hampshire is set for the week of May 11th.

Michele: Since there has been limited feedback from membership related to the strategic plan, the Board will do an overview tomorrow and then put a sizeable chunk of time in June.

Jennifer: The ASDs currently are up to 17 mentees and mentors. Yesterday they held a quarterly zoom with new ASDs.

BOARD COMMITTEE AND INTEREST SECTION REPORTS

Marketing (Laura) A reminder to promote Small Business Saturday- Nov 30th. Only 126 centers signed up to be neighborhood champions for Small Business Saturday. ASBDC likely won't get sponsorship from American Express next year.

Conversation followed about needing to support efforts of sponsors. The board could do more to connect with sponsors.

ACTION: Tee and Staff will create a list of major sponsors with key asks and value propositions.

Accreditation (Jennifer and Jody) Next meeting will be aligned with ASBDC Spring Meetings. There are 14 reviews scheduled for 2020.

Jody shared that the committee has finished team assignments for 2020. There are a slew of observers to schedule.

The Tech addendum will be discussed at February meeting. They are reviewing how to include it in the 2022 standards. They will bring the revised standards to membership in September 2020 and pilot the changes in 2021. Specifically, they will be revamping wording in Section 3. It feels like this section is repetitive.

There was a request from the Board that the Accreditation Committee try to align their June meeting with the in-person Board Meeting the week of June 22nd.

Legislative (Tee) There is a call scheduled for Friday.

Operations (Steve) The committee wants to be proactive with SBA on the 2021 Funding Opportunity.

Conference (Mike) The 2020 dates are Sept 29-Oct 1. The conference spans two fiscal years. Next call for the committee is January 15th. Jan 1st call for papers goes out. Applications due by February 15th.

Leadership (Linda) We are excited to have Michele Campbell from Oklahoma as our new chair. The next call is the first week of December. Michele is reaching out to members to find out about activities of the committee. Peer Exchange was Oct 21/22 in Minnesota. In 2020 it will happen on Ohio. The committee is working to match up mentors with new state directors. Scheduling of the orientation is up for conversation. Should it be offered

pre-conference or during conference? In addition, for the Roundtables, the committee is discussing whether three consistent time blocks work best.

Group discussion followed... there was agreement that it made sense to have the orientation on the Spring Conference Wednesday (in February), and possibly stand alone for second program. It could tie to the June board meeting. Week of 22nd of June.

Data R&D (Lisa) Members should be in contact with someone on the Data Committee to get feedback if their numbers are continuing to be off with EDMIS. We cannot control the EDMIS side. Several states are 100% correct, so we know it is doable.

Technology (Mike) The speaker who presented to the Tech group, Wendy Kennedy, gave a book to everyone, including those that could not attend.

International Trade- There is a roundtable on Nov 22nd that Bill Cummins is attending. Bill is working with West Virginia and Kentucky to help them build their International Trade programs. Bill had mentioned expanding the EXIM MOU relationships. Christian and Bill met with EXIM—Spencer Bachus—and let him know that it is not an MOU the way it is written. It requires a commitment of services without any funding. Int'l trade is a strategic priority for SBDC. Can we get some resources out of them to support our int'l trade activities? Pilot programs?

PTACS- Terri Williams joined the meeting.

APTAC conference is going on this week. Terri is President Elect of APTAC. DLA is trying to separate all the PTACS that were brought up through SBDC. DLA is having a very heavy hand in oversight of the PTACs. Current legislation is to move PTACs from DLA to DOD's Acquisition and Sustainment. Nov 2020 there is a report due to congress of what the transition will look like. The transition would not take place until 2021. Unclear if DLA staff will move with the program. The hope is that there will be a fresh start. The focus on separation from the SBDC is affecting performance and reporting of the PTACs. Costs such as Neoserra, phone systems, office space—all must be separate. These costs take away from ability to see more clients.

PTACs goals are: # of new clients, counseling hours, # of outreach/training events. There is nothing reportable on actual contracting. DLA management are asking to see the actual client notes from Neoserra.

SBDCs have done SBIR assistance forever. PTACs now required to do this same thing.

STRATEGIC PLANNING OPEN SESSION

The Board has limited feedback so far from liaison groups.

Karl read the Values of the 2020 plan. Linda read Vision 2020.

Laura asked if we are looking at the strategic plan as a document that charts what the membership organization does (ASBDC)... or what the membership does (the network). Mike added that relevance and sustainability are most important when we look at our future strategically.

Michele said, stepping back to a very fundamental question, what is this plan for?

Mike talked about relevancy and the connection to our technology and innovation partners and universities. Jennifer agreed.

Christian said that he's hearing again and again about "relevancy." This emerged about 4 or 5 years ago at conference, but we really have not done anything about it. We may need to think about completely new business offerings. Second, we need to focus on "effectiveness". These 2 lead to the 3rd priority—"sustainability".

Michele: The challenge about what Christian, Mike and Jenn are saying is that we are 62 different networks.

Tee: Market relevance cannot be something you only think about once every 5 years for accreditation. We need to be adaptive.

Jennifer: Our states are not using and analyzing their data... primary and secondary. Data Science is important. We can use the conference to introduce new industries to our counselors. "The old crazy is the new amazing" if you have consultants who understand the breadth of new emerging industries.

Christian: We aren't online leading the new ways people like to learn.

Tee: We need to think more broadly about our teaching tools. Is there a capacity for us to start thinking about SBDCs as workspaces, makers spaces, online heavy hitters?

Marquise: Being honest- I have looked at the current plan 3 times. We need to really engage the membership.

Steve: SCORE has the online training market covered. Christian: They have that taken care of, so why do that?

Linda: Sounds like we need an external scan.

Michele: Membership has entrusted the Board to develop the strategic plan. The membership needs to be engaged however.

Kristin: Do they want a strategic plan for the SBDC program? Or... do they want a strategic plan for the Association (ASBDC)?

MEMBERSHIP DUES

Marquise led the conversation about dues. The Association brings in \$560K in dues at current level. Over the last 3 years, we have ended the year in the red between \$100K-300K per year. If we do nothing, we will drain the reserve in a few years.

Test Scenario 1: remove the cap of 15K... base everything off of allocation... still will lose money.

Test Scenario 2: after 1 million, pay some premium... still will lose money.

Test Scenario 3: double the dues... make just a little money.

Colleges are looking at dues with skepticism. There are large states that will not be willing to pay \$40K + in dues. Marquise should go directly to a couple of the big states and ask them to be part of drafting a solution. We need to come up with a value proposition for the dues increase.

We also need to think about the conference costs... we lost more than \$160 for each additional attendee. There is a possibility of charging more for the hotel rooms and then getting a rebate back to the Association.

LEADERSHIP INSTITUTE UPDATE

Christian shared about the Peer exchange that took place in Minnesota. 5 new directors and 5 seasoned folks attended. It was a great program and it had a lot of good dialogue. The 2020 program is occurring in Ohio tied to their professional development conference.

The ALEX webinar series launched. The 4th Monday of every month we are having a state director/ AD present about a strategic or operational challenge. These presentations are 15-20 minutes, followed by Q&A. The booked calendar takes us through 2020. Themes come from Christian's observations of networks doing interesting stuff and the needs of newer directors.

Christian suggested recognizing 40 network individuals under 40 in age. Millennials Interest Group would set criteria. The next step would be to get a sponsor. Concerns- Don't let it compete with State Star. Inclusivity. Don't need to have it give free registrations.

Christian updated the Board on State Director searches. In Louisiana—Carla Holland, a prior Center Director from San Diego has been chosen.. For the State director search for Guam (Pacific Islands), Christian is chair of the search committee. No recent progress to report on this search. Mark Slade has been hired for South Dakota. David Martin is retiring in February from North Dakota.

Host needs to understand that they have to tell the top 3 candidates to OSBDC (George) before an offer is made. The Program Announcement doesn't say if George gets a say in who is chosen. It says the DD needs to concur with the selection.

The Leadership Institute is giving a certificate for any new SD that completes the following: having a mentor, going to peer exchange, shadowing on accreditation, going to orientation.

Bill Cummins and Christian invited CDFI Director to speak in February. Good source of loans for SBDC clients. Candidates running for office talking about the CDFI space—and they may get a windfall. Christian will also be meeting with the Independent Bank Association and the Credit Union Association.

The Appalachian Region association reached out to Christian. Leadership of ASBDC and leadership of ARC are going to discuss if there is common interest.

Challenge when I have these meetings—I don't have good data. I know we've had this conversation before, but it is challenging.

Please Share dates of PD conferences in 2020 with Christian, and also share regional leadership meetings.

CDCs are supposed to give money to SBDCs. Every CDC is supposed to do this.

OLD BUSINESS

None was discussed.

Michele asked for a motion to adjourn the meeting for the day. Kristin gave the motion and Mike seconded. The motion carried unanimously.

Day 1 of the meeting concluded at 5:21pm

November 14, 2019: DAY 2

Michele gave a summary of Day 1.

Michele shared that as a board we need to keep explaining what is going on with SBA, but keep the calm. We don't want the entire membership to get distracted. We will talk a little more about the goals later today. The other thing that I wanted to review was our discussion about the strategic plan. I will send out some questions to guide things forward. I think it was great we could have a discussion where we disagreed and everyone got heard.

CONGRESSIONAL STAFF BRIEFING

The Board met with staff of the Senate Small Business Committee, Maggie and Terese.

Tee and the Board expressed appreciation for the meeting and asked for assistance getting Reauthorization passed.

Maggie: CR will go through Dec likely. Next step will likely be another CR. Funding for SBDC will be at least the current \$135 million level, maybe more.

Terese: Cardin is aware of the fact that a shutdown is hard on a small business community.

Maggie: Reauthorization is still a goal. Long overdue. Until then the Chairman doesn't intend to move sections of the package.

Maggie: The new SBA Administrator should be confirmed in a hearing in December or January.

Tee: We had productive meetings with the nominee.

Tee: GAO has reached out after the 4 corners letter. They will be talking to assorted SBDCs. The whole budgeting scenario is symbolic of the problems we are having with SBA.

Terese: Has anything gotten better?

Michele: Overall, we just see more and more control from them. George is trying to work with us, but he is in a difficult situation with Leadership.

Maggie: What would be ideal relationship look like?

Lisa: Candid conversations, shared vision.

Discussion ensued on SBA's banning us from visiting congress.

Maggie and Terese departed.

The Board discussed adding a day onto the Spring Meeting for membership to discuss “Relevancy”.

ACTION: Tee will send out the list of board meeting dates to membership.

ACTION: Donna/staff will get a room for the Relevancy conversation

ACTION: Tee/Donna will find a facilitator for the Relevancy conversation.

NEW BUSINESS

Kristin brought up the new check box on 641 to allow release of private client info to SBA. She is concerned that clients don’t know what they are agreeing to.

Tee said that SBA it is violating IG by asking for this info.

ACTION: Michele is going to ask the Operations Committee to look into this.

ACTION/Reminder- Set meetings with liaisons and Tee. Get dates to Tee ASAP.

Michele called for a motion to adjourn the meeting. Kristin made the motion. Linda seconded the motion. The motion carried unanimously. The meeting ended at 11:48a.m.

UPCOMING BOARD MEETINGS:

3rd Monday of the Month at 3:30pm Eastern

Dec 16

Jan 27 (a week late)

February- in DC

March 16

April 20

May 18

June- in person- week of 22nd