



BOARD OF DIRECTORS
STRATEGIC RETREAT MINUTES
 June 22-24, 2020

*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 3:33 p.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	COMMENTS
✓	Michele Abraham (South Carolina)	
✓	Mike Bowman (Delaware)	
✓	Carl Brown (Washington DC)	
✓	Laura Fine (Arkansas)	
✓	Marquise Jackson (San Diego)	
✓	Kristin Johnson (Northern CA)	
✓	Steve Lawrence (Houston, Texas)	
✓	Beth Melnik (Georgia)	New to BoD!
✓	Linda Rossi (Vermont)	
✓	Lisa Shimkat (Iowa)	
✓	Tee Rowe, America's SBDC	

SECRETARY'S REPORT/APPROVAL OF THE MINUTES – Minutes of the May 2020 BoD meeting were sent out by e-mail. Michele asked for a motion to approve the minutes. A motion to approve came from Mike, with a second from Linda. The Board voted unanimously to approve.

CHAIRMAN'S REPORT

Welcome to Beth Melnik as the new board member representing the ASDs!

Michele reviewed the schedule for the board meeting/retreat:

- June 22nd: 12:30-2:30 and 3:00-5:00
- June 23rd: 12:30-2:30 and 3:00-5:00
- June 24th: 11:00-1:00 with an Executive Session to follow

We will talk with Ellen Herrington (from Velasquez's office) at 3pm today. SBA folks will be on at about 1:30 today.

Some Updates:

- We are seeing an improved relationship with SBA over the last 6 months. Thanks to everyone in helping to build that.
- Regarding our short-term CARES goals...George continues to say that SBA will be flexible with this year. They acknowledge that it is difficult to separate the two sets of goals. Michele had only a few questions and comments about the reporting template and she shared those with him. If there is anything any member still need clarification on, please reach out to Michele or George.
- Regarding time and effort reporting for CARES... The IG's focus seems to be on time and effort reporting. Continue to share with the Board if states are finding ways to manage this.
- There have been rumors around the transition of fiscal year programs to calendar year programs. SBA has decided to pay for the 3-month gap with left over money from our 2 year spending cycle, but this doesn't allow enough funding for all the fiscal year programs to change over. Michele has suggested to George that they do a pilot this year with a few programs and then transition other over time.
- Conference...Tee will be giving many more details about the conference. I want to commend and thank Joel Youngs and Tee Rowe for their hard work.
- Budget is still a priority... COVID has slowed us down, but not stopped us. We have some additional funding from the CARES ASBDC grant project that will help us end the year in the positive.

TREASURER'S REPORT

Marquise shared that he has been taking a deeper dive into the conference funding, and as such, he is asking questions from the Treasurer perspective. He said that he wanted to share publicly that he did not mean to offend staff and that he was not trying to demean anyone.

Marquise encouraged everyone on the Board and everyone listening in to take a look at their network in light of the Black Lives Matter national conversation occurring right now. We need to continue to acknowledge the needs of communities of color.

The ASBDC CARES Grant (RPTP) has impacted the budget in a good way. Portions of Christian, Donna and April will be paid for, plus we will receive some indirect.

We are going to have a balanced budget for the year. This includes the move of reserves into the main budget. Questions and Comments about the Budget ensued:

- Laura: On the conference, those are still the original costs? Yes. We need to take a look at the conference as a whole, then we will make the adjustments.
- Lisa: From the RPTP, we get indirect and we have personnel listed? Yes.
- Steve: I am not sure we have a balanced budget. We have P&L fixes and we have RPP saving us some costs, but we need to work towards a real balanced budget.
- Michele: The budget we are looking at does not include all the short term changes. The fixes of this year do not solve our business model issues.
- Marquise: Nothing changed to the budget model, just the RPTP happened and it puts us in the black for this year.
- Lisa: it seems like our deficit could be larger than what we expected... we need to not push the problems down the road. I do not want to go back to membership 6 months from now and have to ask for money.
- Tee: The grant just fell into our laps. It is not a panacea.

Marquise shared that there is \$130 in dues unpaid and this affects the organization's cash flow.

PRESIDENT'S REPORT

Partnerships: A lot of people have come to our door.

- THRIVE: They have consolidated the 12 weeks of surveys and sent them to Capitol Hill. We will be working with Velasquez and Chabot to send out a dear colleague informational letter.
- GOOGLE: Shifting gears... we are working on the resiliency guide with them. Duane and his folks have done a fantastic job at it. We are holding back with the "grow with Google" grants process. We want to target at least 50,000 small businesses.
- Association of CPAs and Association for HR Professionals: Both are very interested in partnering with ASBDC.
- INTUIT: They have developed a new tool like Turbo Tax for PPP forgiveness.

CARES Grant to ASBDC/WBCs:

Tee shared that the public-facing website is up and the LMS architecture is live. Now they are trying to get the input from SCORE, VBOC, WBC and SBDC as to content for the training side of the project.

The IG has been active with real-time auditing. Tee said that he could tell by his calls with SBA. IG is asking questions about level of effort. LOE was also a focus with the WBCs in California. Timesheets aren't enough. They want notes, emails, etc. to prove what people are working on. They want verification but won't explain what they are looking for.

The big work for the CARES project is building up the training program. Tee is seeking input from the membership. A lot of Christian's time is being booked to this grant, so send input to him.

Board Elections: A nomination letter went out. There is still a little time until we close nominations.

Congress:

- Tee shared that Congress has started having a lot of oversight hearings about EIDL and PPP. Tee has testified in several of these. Any questions you'd like to have answered, send his way.
- Mike and Tee talked with Coons about the entrepreneurship bill. They understand where he is going with it-- instilling entrepreneurship in minority communities—but it is too large of a program to start up from the get go.
- Tee sent a letter to Cardin on P4- PPP. They want to make the remainder of the PPP available longer and more targeted. Tee supports this.
- There has been a lot of talk about a transportation and infrastructure bill.

CONVERSATION WITH SBA

Nancy Ellen: She started as a new SBDC Deputy 7 weeks ago. She had formerly worked at SBA in the 80s/90s.

Allen: Quite a bit of info came out last week about PPP and EIDL. \$120 billion is still left in PPP. We want to push that more in the underserved communities. Allen did a big presentation with Univision and the Administrator is reaching out to faith-based communities.

They are in a “reconstitution plan” at headquarters. Senior leadership is back in the office, the political team is back, managers are back today. 25% or less of total staff is coming back at this time.

Lastly, the new EDMIS will be ready to go by mid-September. First upload on the new system will be in January 2021. The system is cloud based. Earl is the project manager for the new EDMIS.

Marquise: Let's use success stories in communities of color to amplify and inspire others to come to SBA and SBDC.

George : The 2021 FOA is close to being compete.

Definitions:

- Capital assistance: Do we count all people we assisted, or only get credit if they got a loan? Answer: both. They are working out discrepancies with Kim. You all should still be collecting the traditional goals, but we want to see the breadth of everything going on.
- Individuals served: Should we include individuals consulted and trained? Yes
- Why jobs supported are in here: SBA set these up because folks were not terribly happy with the goals. George tried to make the short-term goals as a transition to the long term goals.
- Why does the chart exist on the report template? It is window dressing to satisfy the critics. Need to show high numbers.

Advisory Board: They have good names. The plans are in limbo. There will be a virtual event with them sometime soon.

FOA: Not too many changes from last year. Changes include an upgraded cyber security piece. It includes an IP piece that should have been in our agreements a couple of years ago. USPTO wants to have a MOU with SBA specifically because they want SBDCs to do trainings. Rural outreach will be an initiative. We will still have an opportunity zone requirement.

Fiscal/Calendar Year Transition: There is \$2.5 million to fund the 3 month gap. They will be doing a pilot of 4 or 5 networks.

A new GAO audit is coming, focused on PTACs. They will be looking for comingling of SBDC funds.

Tee: EDMIS 2.0 includes email addresses of clients. We can't provide these, by statute.

George: We will look into it. Some on the Hill want this to change, some don't.

CONVERSATION WITH ELLEN HARRINGTON

Ellen shared, Congress passed PPP and EIDL with the initial hope of them complementing each other. Combined together they were supposed to help America's small businesses. We never would have expected everything that has happened. Thank you for all of the hard work.

Ellen continued, our committee is bipartisan. Our Chair is Velasquez and Steve Chabot is ranking member. We have been disappointed in the roll out of the PPP. We've been holding a number of webinar hearings. Tee testified for several of these. We have switched over to remote seminars. I feel like you are soldiers on the ground. I want to hear your thoughts and views re the next phase of business support.

Steve: What are the areas the committee has been disappointed with?

Ellen: Federal guidance has been piecemeal and fragmented. There has been a lack of communication from SBA HQ out to partners and Regional Offices. For EIDL—we are concerned about decisions that were made – arbitrary lowering from \$2 mil to \$150k, the advances—why tied to number of employees, the arbitrary nature of denials, denials after waiting months in line, not having proper documentation. For PPP—we wonder if the money is going to those most in need? Companies should still be able to get money without having a preexisting bank relationship. For the Loan Forgiveness—we want this to be easy.

Michele: All that you said was right on point. We have businesses that got money, had to use money during the time they were closed and now have no money—it did not help them reopen and just delayed their business closure.

Ellen: There is legislation in the works that would allow PPP recipients to go back for a second piece.

Marquise: I am worried about the forgiveness piece. Bigger businesses were prioritized so far. How are they going to get through all the paperwork from the smaller businesses? EZ forms are better, but still, they could draw a line and say, anything under XX amount, auto forgive.

Ellen: We also heard about this idea at the hearings.

Steve: We did 4 webinars for underserved minority ... only one participant in 4 webinars got a PPP. Banks said the rest were unqualified. We don't understand this. People who need the money the most were screened out.

Michele: The issue about poor communication needs to be extended to the lenders as well.

Carl: Many of our companies have still not received word about their EIDL loans.

Ellen: Please send me updates. They have a hearing scheduled next week—hope to ask about implementation of EIDL. *Send examples to Michele- she will send to Ellen. Ellen will likely use these as examples in the hearing next week*

Carl: Many of these businesses use their personal finances to subsidize their businesses.

Steve: People are getting EIDL loans, but afraid to use them.

Linda: I think it would be helpful to understand about the EIDL loan closing docs. The closing docs don't match the COVID pandemic. SBA left the requirements that were for the general federal disaster.

LISA: We are worried about disaster on top of disaster. People had gotten an EIDL and couldn't get another. We are headed into tornado, hurricane, fire season. Now is the time to fix this.

Mike: So far our region has been hit the worst by COVID... many people just now opening. The loans' timing was off. We will be seeing many more bankruptcies in Delaware.

Tee: Currently the money ends on June 30, 2020. Is it possible to keep the program open until end of July?

Ellen: There is some discussion about this.

Ellen: How about the SBA lender match initiative? How has that worked?

Lisa: It works well, but lenders that were gung ho, are now pulling out because it went from 2 years to 5 years.

STRATEGIC PLANNING

Michele kicked things off with some reminders:

- This plan is for the membership—not just for ASBDC
- Relevance, Effectiveness, Sustainability are our three pillars.
- We all need to pay attention to the world we live in: COVID, civil/political unrest, other.
- 3 year plan rather than a 5 year plan. There was general agreement.

Christian started facilitating. ***See separate document.***

Homework: Fill in the spreadsheet that Christian sent out.

DAY 2

STRATEGIC PLANNING (CONTINUED)

Christian walked us through the spreadsheet and everyone offered feedback.

See spreadsheet.

LIAISON REPORTS

Marquise- WY is interested in being part of the first batch of fiscal programs to transfer to calendar year.

Mike- There is a lot of trepidation about match, given cutbacks at universities.

Linda- Friday calls are going great. We are getting a lot from them.

Steve- Ditto about Friday calls. Folks have many questions about conference.

Carl- Nothing to report.

Kristin- Nothing to report.

Lisa- We are sharing documents and getting copies to Christian.

COMMITTEE REPORTS

Accreditation: Jody- The committee conducted one review in 2020. All others scheduled for 2020 will be moved into 2021. They will be asking SBA to extend everyone's accreditation for a year. For programs reviewed in 2019, conditions must be met by February 2021, with an opportunity to touch bases in September 2020. They will be having a virtual meeting in September. The committee will be working on updating the standards for a relaunch in 2023. The process moving forward will depend on travel. They will have to reevaluate. A couple states wanted to do zoom this year, but the committee didn't have bandwidth. With 2020 as a "gap year," this cycle will be a 6-year cycle.

Tee: ASDBC's Contract with SBA will need to change. Tee will reach out to Alana.

Research and Data: Nate- The committee has been dormant since the end of 2019. EDMIS 2.0 is up next. They are working with Dave Jackson. They will need to verify concerns about legality and policy of some of it. First export to the new EDMIS is scheduled for Jan 2021.

Michele: Have you corresponded with George regarding the problem of sharing names and email addresses?

Nate- The committee will work through the BoD on this issue.

Leadership and Prof Development: Michele Campbell- New State Directors who started in 2020 have been provided mentors. The committee is discussing the peer exchange and orientation—how to do them virtually. They are worried about what will be lost with peers if it isn't face to face. There are opportunities though... deliver things in smaller bites. Christian is developing agenda for the new orientation and Michele will reach out to Jim Laiply for ideas about peer exchange. Regarding the Millennials Group: the 40 under 40 awards are being shelved. Members of the Board commented that their contribution was very important and that we should continue to spotlight their efforts.

Operations Committee: Lyle- The group is standing by and willing to work. They are hoping to get the 2021 FOA soon. The committee did not receive the CARES Act FOA for comment before it was released.

Christian: It seems as if things have crept into the FOA and surgically have been eliminated.

Michele: We all really need to read it every year.

Legislative: Tee- We are waiting to see what happens with the P4 bill. It was introduced in both houses. It will likely be tacked onto the infrastructure bill.

Marketing: Laura- The committee hasn't met since the start of COVID. There is a meeting scheduled for July.

Conference: Joel- Thanks to Mike Bowman, Board liaison, for attending all meetings. Assorted accolades for members. Each committee member reviewed at least 80 submissions. The conference will be online on September 29th and 30th this year. There will be 4 hours of taped CMTV out of Florida each day. Documenting participation will be available.

For the 4 hour sessions- There will be a 1pm start (Eastern). Lineup includes 40 year video, special guests from congress. There will be a panel discussion on couple of hot topics and at 4:00 we will have a live watch party hour. Second day: same scenario. Trying to involve Goldman Sachs, Intuit. Joel shared that it is a lot of content. We've been trying to reinvent. Content will be available for 6 months. 3rd day is Google/Facebook/other sponsors.

Lisa: When will we see an outline, something physical to use to market this thing? What are the proposed cost?

Michele: We will talk about the costs and the attendee fees later in the meeting.

The BoD then got into a discussion about a "fair share" model of pricing conference. Joel threw out the concept of ½ of our membership dues. There was no agreement on this. Michele thanked Joel for creativity and stated that it isn't his role to have to figure out costs and budget.

Michele: Nothing has gone out yet about state stars from ASBDC. Tee would rather wait until we are all together again. Consider everyone a state star this year. Some states already have named state stars. Double up next year.

INTEREST GROUPS

No reports

OLD BUSINESS

ASBDC's GRANT

Tee is working with Corrine Hodges of the WBCs. It is a split effort. They got single source authority. MTX- a minority woman-owned business got busy on the info side. A resource locator function was created so that site users can find all resource providers in a given area. MTX is working to make the site compliant with ADA, etc.

What is the life path of the project? It is 2-year money. Tee tried to build in sustaining the site for 5 years but got shot down. Also got turned down from being a “.gov” site.

Part of the money went to Reinegold to do digital media outreach to small businesses. The push hasn't started yet. Tee said we've done pretty well with the outreach the SBDCs have done. Reinegold is also doing the tech side of training.

Lead Online Academy is also a women-owned business. They are holding design conferences- one yesterday, tomorrow is second one. We really need to get input from the network. Christian is sitting in on these design conferences.

The IG is looking at the effort already.

Michele: Let's get a committee together for putting curriculum together. Send ideas of people to Christian.

Tee: Joy Taylor of Lead Online Academy is the training program manager. Christian is our liaison to understand your needs for training side. 70% of his salary is billed to this grant.

Lisa- We need a written plan. Feels like we are throwing dart at a dartboard.

Michele: Will there be customized sections for each resource partner? No. It will be training around issue areas. Graduated levels.

Kristin: What are the key roles?

Tee: We had a Project Manager- PRISM Consulting Group. They also do some lobbying. SBA had a cow over the lobbying background. There was too much grief so we pulled the cord. We don't have a project manager now. An RFP for a new project manager is ready to put out there today. Tee will send out the RFP to membership. \$500k OVER 2 YEARS.

Budget sketch: \$15 million for developer, Reingold- \$1 million, Training Developer \$500K, Project Manager \$500K, BDO- \$400K

Timeline for Content: Some content will be up by end of July. Tee- I want it now and I'm a little worried about timeline.

Marquise: how much would it cost to maintain? Developer will let Tee know. Tee will go back to Congress and ask for this funding.

April working with media marketing folks, Donna is doing fiscal oversight- coordinating with the comptroller.

AGREEMENT FOR IBIS OR SIMILAR

Folks have been considering Vertical IQ. It is much more user friendly. Only downside, not as many markets covered. We could send out an RFP/RFQ and see which companies reply. Global Data might also be a contender.

Beth: We had a few people investigate Vertical IQ. They liked it better, but ½ the data for ½ the price. They are growing.

There needs to be a large state leading this- Beth and Mark Petrilli volunteered

CHRISMAN SURVEY

There will be added questions regarding COVID and how the business is fairing. It will be sent out in early August. Dr Vardaman is in agreement with this plan. He is moving to University of Memphis. 8 states don't have info in to Vardaman.

DAY 3

OLD BUSINESS (CONTINUED)

LEADERSHIP INSTITUTE

Christian waived his time for giving an update on the Leadership Institute. Instead, he sent out a report ahead of time. The BoD had lots of accolades and appreciation for his role on the Friday calls, structure for the strategic planning, etc.

ASBDC CONFERENCE

Michele: Tee sent out the budget for conference. What questions do we have for Tee regarding funding and costs? We want to talk about the registration fee. In what Tee sent out, the fee shows as \$595 per person.

Kristin: Is there an opportunity to combine efforts of the conference and the website learning platform? *This led into a lengthy discussion. The BoD decided it was too complex of an idea.*

Tee: Costs of \$973,750 are based on \$200 in sponsorships paid by Google, Intuit and Visa. "Booths" will be billed at \$178,750. This leaves the balance that we need to pay for from participant registration at \$595,000

On the expense side- \$281K for staff = 30% of annual budget. Awards and recognition—not going to do these this year. F&B and airfare are sunk costs. Karen is \$78K and is working as hard as she would if it were in person. We have budgeted \$245K for CNTV but the current contract is at \$205K. We have already secured this contract.

Michele: What is the right price? Let's make sure states can use CARES funding to send folks. According to Joel, there are 22 presentations that could accentuate COVID 19. There are 40-50 more that could touch on this.

Kristin: Let's make sure the marketing of the conference says something about COVID too.

Carl: Edna said we cannot spend money on contract consultants. We can't bring any contractors to conference and pay for their attendance. It is an IRS stipulation.

Michele- how many people would attend at what price? Let's all chime in.

Carl: Can we invite score and WBC to our conference? I like the model of \$199 for 3000 people

Marquise: At \$595 it will be difficult to get anyone to come.

Kristin: It is easier to send 3x the people for 1/3 the cost.

Marquise: is staff really going to do \$281K in work? If so, so be it. If not, let's carve some of that out.

Steve: Should we do a quick survey about pricing of conference?

Mike: We need to acknowledge the quality and hard work of the committee.

Steve: Lots of people will not want a conference at all.

Michele: We will need a run of show to go with the survey.

Discussion about what to include in the survey.

Donna: I'm trying to understand the thought process going on here. In the past, people paid \$895 plus transportation, etc. On average it costs \$2500+ per person.

Tee: I don't get it.

Michele: A lot of the budget has already been expended. We can't do much on personnel, etc. Expenses are pretty set. Let's assume we can get the income for the 50 booths. I think it is best to survey the network. We need to keep it positive.

Michele will send out an email in advance of the survey.

INTUIT AID ASSIST

They have developed a PPP loan forgiveness calculator. ASBDC has been working with their development team. They will be sending to the networks to use with clients.

ANNUAL SURVEY OF MEMBERSHIP

We do this survey each summer. It comes out in August. Christian will have a draft by the July board meeting. Last year we had 100% participation.

2021 SPRING ANNUAL MEMBERSHIP MTG

No ideas of what will be happening in 9 months. Currently it is slated for 8/9/10 of February

2020 ANNUAL REPORT

Staff is planning on the usual format. Usually we try to tie in with Chrisman data, but we don't know about that for timing this year. We should make it COVID focused this year.

ADJOURN

Steve made a motion to adjourn at 12:58. Carl seconded the motion. All were in favor and the motion passed.

UPCOMING BOARD MEETING:

July 20, 2020