

GAO Highlights

Highlights of [GAO-19-515T](#), a testimony before the Subcommittee on Investigations, Oversight, and Regulations, Committee on Small Business, House of Representatives

Why GAO Did This Study

Historically Black Colleges and Universities play an important and unique role in the higher education system and in their local and regional economies. SBA works with many colleges and universities to provide entrepreneurial training and counseling on campuses. SBA is also part of a long-standing White House Initiative to expand the capacity of HBCUs, including their ability to participate in federal programs. However, little is known about the extent to which SBA has worked with the 101 HBCUs to foster entrepreneurship among students and others.

This statement is based on (1) GAO's March 2019 report (GAO-19-328R) on SBA's plans and programs for working with HBCUs and (2) preliminary observations from GAO's ongoing review of any HBCU-specific information SBA collects and reports and collaboration of selected HBCUs and SBA.

GAO reviewed recent executive orders related to enhancing HBCU capacities; agency documents, including SBA's 2018 agency plan for supporting HBCUs; and statutes and regulations for key programs and activities. GAO also interviewed SBA headquarters and selected district officials based on criteria including (1) the number of HBCUs in the state, and (2) agreements, if any, between HBCUs and SBA. GAO also interviewed six HBCUs based on their relationship with SBA.

What GAO Recommends

GAO is not making recommendations in this testimony, but will consider them, as appropriate, as it finalizes its work.

View [GAO-19-515T](#). For more information, contact Anna Maria Ortiz at (202) 512-8678 or OrtizA@gao.gov.

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SMALL BUSINESS ADMINISTRATION

Preliminary Observations on Efforts to Foster Entrepreneurship with Historically Black Colleges and Universities

What GAO Found

Small Business Administration (SBA) programs and activities that foster entrepreneurship have included, but do not specifically target, Historically Black Colleges and Universities (HBCU). SBA funds 63 Small Business Development Centers (SBDC) that are generally hosted by colleges or universities. Two of the 63 SBDCs are hosted by HBCUs—Howard University and the University of the Virgin Islands—and at least 16 of the more than 900 SBDC satellite locations have been at HBCUs. SBA's district offices also can initiate and oversee outreach activities to foster entrepreneurship. While these activities are not targeted to HBCUs, some district offices have worked with HBCUs. For example, district offices co-sponsored 10 counseling and training activities in 2013–2018 with six HBCUs and signed memorandums with at least 27 HBCUs to strengthen local small business development in 2008–2018.

Business Workshop at the Small Business Development Center at the University of the Virgin Islands



Source: GAO. | GAO-19-515T

GAO's preliminary observations indicate SBA has limited data on entrepreneurship-related efforts at HBCUs. In 2018, SBA established two goals for working with HBCUs: (1) to raise awareness and provide information to help raise the capacity of HBCUs to participate in federally funded programs, and (2) to promote collaboration among HBCUs, SBA resource partners, and SBA district offices. GAO's ongoing work identified that HBCU-specific data (such as the number of outreach events involving HBCUs or the number of HBCU students or alumni who participated) are incomplete at an agency-wide level. Moreover, SBA does not systematically collect written feedback from event participants, including for events involving HBCUs. GAO's preliminary observations also indicate that SBA resource partners, such as SBDCs, have established relationships with some HBCUs. GAO will continue to examine the extent of SBA efforts to foster entrepreneurship with HBCUs.