SMALL BUSINESS ADMINISTRATION

Opportunities Exist to Strengthen Engagement with Historically Black Colleges and Universities

What GAO Found

The Small Business Administration (SBA) worked with Historically Black Colleges and Universities (HBCU) to foster entrepreneurship, primarily through its Small Business Development Center program (which provides counseling and training), strategic alliance memorandums, and co-sponsorship agreements. Two HBCUs—Howard University and the University of the Virgin Islands—have hosted SBDC “lead centers” since the 1980s. SBA also signed at least 35 strategic alliance memorandums with HBCUs and at least 16 co-sponsorship agreements in 2013–2018.

States with Historically Black Colleges and Universities

In 2018, SBA developed a plan to support HBCUs (including goals and measures) for the White House Initiative on HBCUs. However, SBA headquarters did not communicate this plan or its goals to key Small Business Development Centers or SBA district offices (those with HBCUs in their service areas). As a result, SBA may have missed opportunities to collaborate with HBCUs and help achieve the goals of its plan.

SBA has collected limited information about its programs and activities with HBCUs. SBA could not establish a baseline for performance measures developed in its 2018 plan because SBA district offices and the Small Business Development Centers are not required to collect or report information about their HBCU-related outreach and other activities. For example, while representatives from the nine Small Business Development Centers with whom GAO spoke said they conducted outreach to HBCUs, this information was not reported to SBA headquarters. Without collecting relevant information about its HBCU-related efforts, including data for performance measures, SBA cannot assess the extent or effectiveness of its efforts to support HBCUs.

What GAO Recommends

GAO is making three recommendations, including that SBA communicate planned efforts to support HBCUs to key Small Business Development Centers or district offices, and collect additional information on its efforts to support HBCUs. SBA agreed with GAO’s recommendations.