

## Why GAO Did This Study

The 101 HBCUs play an important role in higher education and in their local and regional economies. Among African Americans who obtained a doctorate in science, technology, engineering, or mathematics in 2005–2010, more than one-third earned their undergraduate degrees from an HBCU. SBA is part of a long-standing White House initiative to strengthen the capacity of HBCUs, including their ability to access and participate in federal programs. SBA's mission includes business development, and SBA also works with colleges and universities to provide entrepreneurial training and counseling.

GAO was asked to review SBA's entrepreneurship-related efforts with HBCUs. This report examines (1) SBA efforts to foster entrepreneurship with HBCUs in recent years, (2) SBA's plans for the White House Initiative on HBCUs, and (3) the extent to which SBA collected information specific to HBCUs. GAO analyzed SBA information on HBCU participation in programs and activities for fostering entrepreneurship and reviewed related standard operating procedures. GAO also interviewed officials at SBA headquarters and eight SBA district offices, and representatives of nine Small Business Development Centers (selected for a high number of agreements with HBCUs and other factors).

## 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.

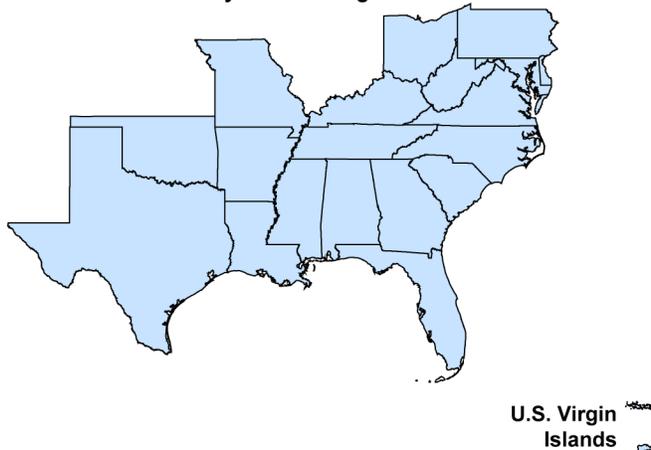
## SMALL BUSINESS ADMINISTRATION

### 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



Source: GAO analysis (data) and MapInfo (map). | GAO-20-41

Note: States include the District of Columbia and the U.S. Virgin Islands.

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.