

**Testimony Provided to the
Committee on Small Business' Subcommittee on Investigations,
Oversight, and Regulations
United States House of Representatives**

Dr. Paulette Dillard

President

Shaw University

April 30, 2019

Biography

Dr. Paulette Dillard, the 18th President of Shaw University, has a rich teaching history having taught biology for over 20 years at various institutions. Prior to her appointment as Shaw's interim President, she served as Vice President for Academic Affairs.

During her tenure at Shaw University, Dr. Dillard served as the Dean of the College of Arts and Sciences, Department Chair for Natural Sciences and Mathematics, and as an Associate

Professor of Biology. She also has served as Coordinator of undergraduate research infrastructure, and Co-Director of the academic enrichment programs for the National Institutes of Health funded National Institute on Minority Health and Health Disparities (NIMHD) Research Infrastructure in Minority Institutions (RIMI) project.

Dr. Dillard also served as a research mentor for interns as part of the Shaw in Jamaica-Mon International Student Research Training Project, a collaborative partnership with The University of the West Indies. During the summer, Dr. Dillard and the student research interns spent six weeks in Kingston, Jamaica conducting research and examining the knowledge, skills, and attitudes of Jamaican men of African descent who were diagnosed with prostate cancer. This study was of interest to Dr. Dillard since it is well documented that Jamaica men have the highest mortality rate from prostate cancer when compared with other ethnic groups.

Dr. Dillard serves on the boards for the Carolina Small Business Development Fund and the Dorothea Dix Conservancy. She has been involved with the Innovation and Entrepreneurship Center and the LaunchRALEIGH initiatives since inception. Throughout her career, Dr. Dillard has served on the boards of a number of professional and community organizations.

Dr. Dillard grew up in Mount Airy, North Carolina. She earned a Bachelor of Science degree in biology at Barber Scotia College in Concord, North Carolina and received a Master of Science degree in biology from Tennessee State University. She went on to earn an MBA from the Jack Massey School of Business at Belmont University and a Ph.D. in Biological Sciences from Clark Atlanta University (CAU), Atlanta, Georgia. Dr. Dillard completed postdoctoral training at the Center for Cancer Research and Therapeutic Development at CAU.

She was married to the late Reverend Moses C. Dillard, Jr. a renowned musician and social activist. She is a member of First Baptist Church, Wilmington Street in Raleigh, North Carolina.

Executive Summary

Subcommittee Chairwoman Judy Chu, Ranking Member Ross Spano, and Members of the Subcommittee, thank you for the opportunity to testify today.

My name is Dr. Paulette Dillard, and I serve as the 18th President of Shaw University (Shaw). Shaw is a proud historically black college and university (HBCU) founded in 1865 and is the first HBCU in the South located in Raleigh, North Carolina. With a mission to advance knowledge; facilitate student learning and achievement; to enhance the spiritual and ethical values of its students; and to transform a diverse community of learners into future global leaders, it is clear that Shaw is committed to student success.

I was asked to testify before the subcommittee about Shaw's experiences and relationship with the Small Business Administration (SBA). Shaw currently has a Strategic Alliance Memorandum (SAM) with the SBA. The initial SAM was signed by Shaw and the SBA on January 13, 2013. This contractual agreement with the SBA through its North Carolina District Office has a purpose of developing and fostering a working relationship to strengthen small business development in the local area.

As part of this partnership, Shaw opened its Small Business Resource Center (SBRC) in the fall of 2013. This SBRC, in partnership with the SBA, provides the following:

- office space that includes a reception and resource materials area and a conference room for meetings and workshops;
- an employee dedicated to manage and facilitate the activities; and
- assistance to students and members of the Raleigh community with resources to start, finance, and operate a successful business.

Not only does the SBA help to provide materials and services for the SBRC, but the Innovation and Entrepreneurship Center, also serves as a partner and Shaw is able to host seminars and workshops on a variety of small business topics, including business planning, credit building and marketing. The SBA provides expert presenters from the SBA office and the surrounding business community, and the SBA provides small business resource materials including pamphlets, brochures, website resource references, and contacts with key business community leaders.

As a result of the relationship established between Shaw and the SBA, we have been able to offer workshops to our students, alumni, and community residents such as a small business start-up series:

- focusing on legal considerations and business plans;
- focusing on marketing and how to find your niche with the proper usage of social media;
- focusing on financing to learn more about investors and bank loans; and
- focusing on the importance of credit as a consumer and also as a potential business owner.

While Shaw has been able to benefit from the SAM with the SBA, there are needs that still remain. The following are some areas that would be of benefit if available:

- Access to online certifications for our students
 - Business related certifications do not only increase students understanding of the entrepreneurial environment but can also enhance their resumes and thus increase their chances of obtaining employment;
- Access to an SBA database of available resources, workshops, seminars, etc.
 - When current or aspiring entrepreneurs seek assistance, it would be helpful to be able to identify specific resources/upcoming workshops based on their areas of inquiry such as startups, marketing, financing (qualifying for SBA loans, grants), business structure/legal considerations, employment rules, health insurance, taxes (employment, sales), licenses, accounting, and franchising;
- Assistance in setting up an SBRC website/Social Media Links; and
- Assistance in developing an SBRC brochure.

I would like to thank Chairwoman Nydia M. Velazquez, Representative Alma Adams, and the remaining Members of Congress for requesting that the Government Accountability Office (GAO) look into SBA’s entrepreneurship efforts with HBCUs. We learned that SBA’s goals, as identified in their 2018 strategic plan submitted to the Secretary of Education and the Executive Director of the White House Initiative on HBCUs, were to “(1) [raise] awareness and [provide] information that would help raise the capacity of HBCUs to participate in federally funded programs, and (2) promote collaboration among HBCUs and SBA resource partners and district offices.”

In an effort to accomplish goal number one, both the Small Business Innovation Research and Small Business Technology Transfer programs were mentioned. SBA indicates that these programs are underutilized by HBCUs, but what the report fails to disclose is that funding requested for these very same programs in the FY 2020 budget request was significantly lower at \$3 million compared to the \$5.99 million that was enacted in FY 2019, *a \$2.99 million dollar decrease.*

SBA's stated goals are a direct response to Executive Order (EO) 13779, and the 116th Congress has taken measures to codify this EO. While the United States Senate has already passed S. 461, the HBCU Propelling Agency Relationships Towards a New Era of Results for Students (PARTNERS) Act, there remains concerns in the HBCU community regarding this legislation and whether or not it goes far enough to truly increase transparency within the Federal government. H.R. 1054, the HBCU PARTNERS Act is similar to the Senate bill, but includes stronger provisions that would be supported by the HBCU community.

In conclusion, HBCUs are valuable institutions that not only contribute to society, but provide an invaluable experience for our students, especially our students who are low-income and first generation. I hope to see greater collaboration between SBA and HBCUs, and I also hope to see meaningful legislation passed in the 116th Congress to truly strengthen EO 13779.

For more information and details regarding my remarks, I ask that you read my written testimony submitted for your review.

Thank you.

Full Testimony¹

Introduction

Subcommittee Chairwoman Judy Chu, Ranking Member Ross Spano, and Members of the Subcommittee, thank you for the opportunity to testify today.

My name is Dr. Paulette Dillard, and I serve as the 18th President of Shaw University (Shaw). Shaw is a proud historically black college and university (HBCU) founded in 1865 by Henry Martin Tupper who served as a soldier in the Union Army during the Civil War. Not only is Shaw a proud HBCU, but Shaw is the first HBCU in the South and is located in Raleigh, North Carolina. In addition, Shaw is the first institution in the nation to offer a four-year medical program, the first HBCU in the nation to open its doors to women, and the first HBCU in North Carolina to be granted an “A” rating by the State Department of Public Instruction. With a mission to advance knowledge; facilitate student learning and achievement; to enhance the spiritual and ethical values of its students; and to transform a diverse community of learners into future global leaders, it is clear that Shaw is committed to student success.

HBCU History and Statistics

I would like to thank Chairwoman Nydia M. Velazquez and the remaining Members of Congress for requesting that the Government Accountability Office (GAO) look into SBA’s entrepreneurship efforts with HBCUs. I would be remiss if I did not make a special acknowledgement to Representative Alma Adams, co-Chair of the Bipartisan HBCU Caucus, for leading the request to the GAO regarding this study.

While shocking to some, this report did not reveal any new news that those of us in the HBCU community did not already know. But, before we dive into the findings in the report, I think that it is imperative that we all understand the history of HBCUs.

HBCUs were created as early as 1837 to provide African Americans access to higher education. Noted for their contributions in educating “black, low-income and educationally disadvantaged Americans,” the 101 accredited HBCUs today constitute the class of institutions that satisfy the statutory definition of the term “HBCU” as defined in the *Higher Education Act of 1965*.

¹This testimony largely mirrors the testimony given by Dr. Roslyn Clark Artis in that (1) both testimonies are from private HBCUs that are impacted in the same manner by the Federal government and (2) both HBCUs have SAMs with the SBA. You will find the main differences in testimony to be the details regarding the Strategic Alliance Memorandums with the Small Business Administration.

HBCUs disproportionately enroll low-income, first-generation and academically underprepared college students—precisely the students that the country most needs to obtain college degrees. In 2017:

- Nearly 300,000 students attended HBCUs²;
- More than 75 percent of HBCU students were African Americans; and
- 70 percent of all students at HBCUs received federal Pell Grants, and 78 percent of these students received federal loans.³

HBCUs comprised 3 percent of all two- and four-year non-profit colleges and universities, yet they:

- Enroll 10 percent of African American undergraduates;
- Produce 17 percent of all African American college graduates with bachelor's degrees; and
- Graduate 24 percent of African Americans with bachelor's degrees in STEM fields.⁴

A 2015 Gallup survey confirms that HBCUs are providing African American students with a better college experience than African American students at other colleges and universities.

- 55 percent of African American HBCU graduates say their college prepared them well for post-college life versus 29 percent for African American graduates of other institutions.⁵

HBCUs attained these results at an affordable price for students—that is, the cost of attendance at HBCUs is about 30 percent lower, on average, than other colleges—despite limited operating budgets and endowments that are roughly half the typical size of other four-year public and private non-profit colleges and universities.

Since our founding, HBCUs have been, and continue to be, under-resourced institutions. An issue brief produced by ACE (American Council on Education) and UNCF (United Negro College Fund, Inc.) revealed the following:

² U.S. Department of Education, National Center for Education Statistics. (2019). *Digest of education statistics 2018* [Table 313.20]. Retrieved from https://nces.ed.gov/programs/digest/d18/tables/dt18_313.20.asp

³ UNCF Patterson calculations using U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System.

⁴ Ibid.

⁵ Gallup, Inc. (2015). *Gallup-USA funds minority college graduates report*. Retrieved from UNCF Website: https://www.uncf.org/wp-content/uploads/PDFs/USA_Funds_Minority_Report_GALLUP-2.pdf

- Public HBCUs rely more heavily on federal, state, and local funding in comparison with their non-HBCU counterparts (54 percent of overall revenue vs 38 percent);
- Private HBCUs depend a little bit more on tuition dollars than their non-HBCUs counterparts (45 percent compared with 37 percent);
- Private gifts, grants, and contracts constitute a smaller portion of overall revenue at private HBCUs compared to their non-HBCU counterparts (17 percent vs 25 percent);
- Public and Private HBCUs experienced the largest declines in federal funding per full-time equivalent student between 2003-2015; and
- In both the public and private sectors, HBCU endowments lag behind those of non-HBCUs by at least 70 percent.⁶

Despite being under-resourced institutions, HBCUs have a large economic impact that often goes unnoticed by most. In 2017, UNCF released a report detailing the economic impact of HBCUs. The report revealed that in 2014, the impact of HBCUs on their regional economies included:

- \$10.3 billion in initial spending, which includes spending by the institution for personnel services, spending by the institution for operating expenses, and spending by students;
- An employment impact of 134,090 jobs, which approximately 43 percent were on-campus jobs and 57 percent were off-campus jobs;
- \$10.1 billion in terms of gross regional product, which is a measure of the value of production of all industries;
- A work-life earnings of \$130 billion for the Class of 2014, which is 56 percent more than they could expect to earn without their 2014 certificates or degrees; and
- A total economic impact of \$14.8 billion.⁷

In addition to the positive impact HBCUs make on the overall economy, HBCUs also have a strong impact academically when observed at the state and local level. An upcoming report to be released by UNCF shows that:

⁶Williams, K.L. & Davis, B.L. (2019). *Public and private investments and divestments in historically black colleges and universities*. Retrieved from American Council on Education Website: <https://www.acenet.edu/news-room/Pages/Public-and-Private-Investments-and-Divestments-in-HBCUs.aspx>

⁷Humphreys, J.M. (2017). *HBCUs make America strong: The positive economic impact of historically black colleges and universities*. Retrieved from UNCF Website: <https://www.uncf.org/programs/hbcu-impact>

- HBCUs comprised 8.5 percent of the four-year institutions across the 21 states and territories in the analysis;
- Across the 21 states and territories in the analysis, HBCUs enrolled, on average, 24 percent of all black undergraduates pursuing a bachelor’s degree in a college or university in 2016;
- Across the 21 states and territories in the analysis, on average, 26 percent of all black bachelor’s degree recipients graduated from an HBCU in 2016; and
- In my home state of North Carolina, HBCUs are 16 percent of the four-year institutions, but enroll 45 percent of all black undergraduates and award 43 percent of all black bachelor’s degrees in the state.⁸

GAO Report Findings

While the GAO report does not address the resources directly at HBCUs, this report does examine “(1) federal priorities and SBA goals related to working with HBCUs, and (2) SBA’s key programs and outreach activities for fostering entrepreneurship, particularly with HBCUs, and what is known about HBCU participation in these programs and activities.”⁹ We learned that SBA’s goals, as identified in their 2018 strategic plan submitted to the Secretary of Education and the Executive Director of the White House Initiative on HBCUs, were to “(1) [raise] awareness and [provide] information that would help raise the capacity of HBCUs to participate in federally funded programs, and (2) promote collaboration among HBCUs and SBA resource partners and district offices.”¹⁰ The report goes on to describe ways that HBCUs could collaborate with SBA by identifying Small Business Development Centers (SBDC), Women’s Business Centers, Strategic Alliance Memorandums, and SCORE chapters as ways for HBCUs to engage. From this, we learned that:

- out of 63 total organizations that receive funding for SBDCs, HBCUs only account for 2 of those organizations;
- out of more than 900 service centers in the SBDC network, HBCUs only account for 16 of those centers; and
- out of 206 strategic alliance memorandums, HBCUs only account for 24 of those memorandums.

⁸ Saunders, K. & Nagle, B.T. (2018). *HBCUs punching above their weight: A state-level analysis of historically black college and university enrollment and graduation*. Washington, DC: UNCF Frederick D. Patterson Research Institute

⁹ Ortiz, A.M. (2019). *Small business administration: Key entrepreneurship programs and activities do not specifically target historically black colleges and universities, but collaboration exists with some schools*. Washington, DC: U.S. Government Accountability Office.

¹⁰ Ibid.

It is not surprising that there is not more HBCU representation in the aforementioned ways HBCUs could collaborate with SBA, but what is surprising is what I have to say next. The report goes on to explain SBA's first goal to provide HBCUs with information on accessing and competing for federal grants and contracts in a bit more detail. Both the Small Business Innovation Research and Small Business Technology Transfer programs are mentioned. SBA indicates that these programs are underutilized by HBCUs, but what the report fails to disclose is that funding requested for these very same programs in the FY 2020 budget request was significantly lower at \$3 million compared to the \$5.99 million that was enacted in FY 2019, **a \$2.99 million dollar decrease**. There are a total of 11 agencies that participate with the SBA regarding these two programs and only agencies with extramural budgets for research and development in excess of \$1 billion are required to set aside certain targeted amounts for small business innovation.

Strategic Alliance Memorandum

Overview

I was asked to testify before the subcommittee about Shaw's experiences and relationship with the Small Business Administration (SBA). Earlier, I mentioned a Strategic Alliance Memorandum (SAM) as one of the ways an HBCU can engage with the SBA, and I am happy to share that Shaw currently has one of these agreements. The initial SAM was signed by Shaw and the SBA on January 13, 2013.¹¹ This contractual agreement with the SBA through its North Carolina District Office has a purpose of developing and fostering a working relationship to strengthen small business development in the local area.

As part of this partnership, Shaw opened its Small Business Resource Center (SBRC) in the fall of 2013. This SBRC, in partnership with the SBA, provides the following:

- office space that includes a reception and resource materials area and a conference room for meetings and workshops;
- an employee dedicated to manage and facilitate the activities; and
- assistance to students and members of the Raleigh community with resources to start, finance, and operate a successful business.

Not only does the SBA help to provide materials and services for the SBRC, but the Innovation and Entrepreneurship Center, also serves as a partner and Shaw is able to host seminars and workshops on a variety of small business topics, including business planning, credit building and marketing. The SBA provides expert presenters from the

¹¹ Please see enclosure 1

SBA office and the surrounding business community, and the SBA provides small business resource materials including pamphlets, brochures, website resource references, and contacts with key business community leaders.

As a result of the relationship established between Shaw and the SBA, we have been able to offer workshops to our students, alumni, and community residents such as a small business start-up series:

- focusing on legal considerations and business plans;
- focusing on marketing and how to find your niche with the proper usage of social media;
- focusing on financing to learn more about investors and bank loans; and
- focusing on the importance of credit as a consumer and also as a potential business owner.

Further Needs

While Shaw has been able to benefit from the SAM with the SBA, there are needs that still remain. The following are some areas that would be of benefit if available:

- Access to online certifications for our students
 - Business related certifications do not only increase students understanding of the entrepreneurial environment but can also enhance their resumes and thus increase their chances of obtaining employment;
- Access to an SBA database of available resources, workshops, seminars, etc.
 - When current or aspiring entrepreneurs seek assistance, it would be helpful to be able to identify specific resources/upcoming workshops based on their areas of inquiry such as startups, marketing, financing (qualifying for SBA loans, grants), business structure/legal considerations, employment rules, health insurance, taxes (employment, sales), licenses, accounting, and franchising;
- Assistance in setting up an SBRC website/Social Media Links; and
- Assistance in developing an SBRC brochure.

Policy Recommendation

The SBA submitted an agency plan to the Secretary of Education and the Executive Director of the White House Initiative on HBCUs due to Executive Order (EO) 13779 released on February 28, 2017 by President Donald J. Trump. In this EO, the Secretary of Education and the Executive Director of the White House Initiative on HBCUs are mandated to identify agencies that regularly interact with HBCUs and have them prepare an annual plan describing efforts to strengthen the capacity of HBCUs to participate in applicable Federal programs and initiatives.¹² As described in the GAO report, this type of EO was first written in 1980, under EO 12232, in the Administration of President Jimmy Carter and established the White House Initiative on HBCUs.

Although the Trump Administration followed suit and introduced an EO regarding the White House Initiative on HBCUs, this Administration also wanted to inquire about ways to further enhance the EO as well. Birthed from this were conversations with select representatives of the HBCU community and an introduction of S. 461, the HBCU Propelling Agency Relationships Towards a New Era of Results for Students (PARTNERS) Act. This bill, led by Senator Tim Scott and Senator Chris Coons, gained 15 bipartisan cosponsors and passed the United States Senate on February 12, 2019 by unanimous consent. In the United States House of Representatives, a similar bill was also introduced, H.R. 1054, the HBCU PARTNERS Act, led by Representative Alma Adams and Representative Mark Walker, with 8 bipartisan cosponsors.

While I am thankful that Congress is in the process of codifying EO 13779, I would be remiss if I did not express some concern from those of the HBCU community regarding the version that passed the Senate. The law is binding, but EO's have a greater degree of flexibility. I am happy that EO 13532 further enhanced the White House Initiative on HBCUs to express the importance of working with our institutions, and I am happy that an EO 13779 continued this effort.

S. 461 was intended to codify EO 13779 but made some changes to both strengthen and weaken the EO. For instance, the legislation strengthened the EO by adding additional language to:

- mandate that agencies who submit a plan describe any progress made towards advancing or achieving goals and efforts from previous agency plans;

¹² Exec. Order No. 13779, 82 FR 12499 (2017).

- require the head of each applicable agency to submit their agency plans to the Senate Committee on Health, Education, Labor, and Pensions and the House Committee on Education and Labor; and
- mandate that the President’s Board of Advisors advise the President in improving government-wide strategic planning related to HBCU competitiveness to align Federal resources and provide the context for decisions about HBCU partnerships, investments, performance goals, priorities, human capital development and budget planning.

The legislation weakened the EO by not including the requirement that the President’s Board of Advisors “shall include representatives of a variety of sectors, including philanthropy, education, business, finance, entrepreneurship, innovation, and private foundations, as well as sitting HBCU presidents.” S. 461 simply remains silent regarding who would serve on this important Board, and I believe that clarity should be provided especially since this is something that would be codified.

The legislation also allows the Secretary of Education, in consultation with the Executive Director of the White House Initiative on HBCUs, to determine which Federal agencies “regularly interact” with HBCUs in order to mandate those agencies to submit agency plans. While previous EOs have included language allowing the Secretary of Education to determine which agencies would need to submit agency plans, a looming question remains as to the consistency of the agencies that would be considered to “regularly interact” with HBCUs from Administration to Administration.

I strongly believe that our Federal government should be more transparent with their efforts to work with institutions like mine, and I believe that Congress could do a better job at oversight of the Federal government regarding their interactions with HBCUs if all agencies were required to submit an agency plan. I completely understand that not all agencies would have a relationship with HBCUs and in this case, it would be beneficial that these agencies simply state in their plan any efforts they could potentially take to identify specific HBCU initiatives and resources that could benefit the HBCU community. This proposal does not mandate that any resources be spent on HBCUs, but simply requests that all Federal agencies be transparent and tell Congress, the Secretary of Education, and the Executive Director on the White House Initiative on HBCUs what is happening within the agency as it pertains to HBCUs.

H.R. 1054 seeks to also codify EO 13779 and not only does it include the aforementioned language that strengthens the EO, it also mandates that all Federal agencies submit an agency plan.

Conclusion

In conclusion, HBCUs are invaluable institutions that not only contribute to society, but provide an invaluable experience for our students, especially our students who are low-income and first generation. I hope to see greater collaboration between SBA and HBCUs, and I also hope to see meaningful legislation passed in the 116th Congress to truly strengthen EO 13779.

It is an honor to be asked to present this testimony, and I commend you for your service and for addressing these important issues.

Thank you.



Strategic Alliance Memorandum

with the

United States Small Business Administration

and

Shaw University

I. PURPOSE

The United States Small Business Administration (SBA) and the **Shaw University** (each a "Party" or, collectively the "Parties") are joined by a common mission; **helping start, maintain, and expand small businesses**. The Parties will work together in the spirit of cooperation and open communications, consistent with law, with the primary goal of meeting the needs of the small business community.

Shaw University exists to advance knowledge, facilitate student learning and achievement, to enhance the spiritual and ethical values of its students, and to transform a diverse community of learners into future global leaders.

The mission of the SBA is to aid, counsel, assist and protect the interests of small business by providing financial, contractual and business development assistance and advocating on their behalf within the government. SBA district offices deliver SBA programs and services to the public. Each Party has separate services and resources which, when delivered in coordination with each other, will provide maximum benefits to the small business communities served.

The purpose of this Strategic Alliance Memorandum (SAM) is to develop and foster mutual understanding and a working relationship between the SBA and **Shaw University** in order to strengthen and expand small business development in the local area. The Parties acknowledge that specific joint training and outreach activities contemplated under this SAM require further negotiations and a separate signed agreement developed pursuant to SBA's cosponsorship authority. Nothing in this SAM permits **Shaw University** to use the SBA logo or seal. The "U.S. Small Business Administration" name shall be used only in a factual manner, consistent with applicable law, and shall not promote or endorse any products or services of any entity including but not limited to **Shaw University**.

In order to further their common goals, the Parties agree to the following:

II. SCOPE AND RESPONSIBILITIES

SBA Undertakings:

Within the limits of its available and/or appropriated resources, the SBA through its **North Carolina** District Office will:

- Provide **Shaw University** with up-to-date information about SBA's programs and services.

- Make available, upon request, information regarding SBA's resource partners, including but not limited to, the Small Business Development Centers (SBDCs), SCORE, and the Women's Business Centers (WBCs) (collectively, "SBA's Resource Partners").
- Make available, upon request and subject to their availability, SBA pamphlets, brochures, and other publications.
- Advise **Shaw University** of events that may impact its mission.
- Provide speakers, consistent with SBA rules and policy, to participate in **Shaw University** workshops, conferences, seminars and other activities to discuss SBA financing, government contracting and other business topics.
- Invite **Shaw University** clients/members to attend local SBA-sponsored events and offer SBA-sponsored training at **Shaw University** location when appropriate.
- Provide a text-only hyperlink from SBA's website to **Shaw University** website pursuant to SBA's linking policies.
- Provide information to **Shaw University** staff on SBA programs and services available to local small businesses.
- Assign a local point of contact to serve as liaison between SBA and **Shaw University**.

Shaw University Undertakings:

Within the limits of its available resources, the **Shaw University** will:

- Cooperate with SBA's Resource Partners to provide information to its clients/members about business development services to small businesses when appropriate.
- Keep abreast of and disseminate up-to-date information provided by SBA when appropriate.
- Make available to its clients/members SBA pamphlets, brochures, and other publications.
- Inform **Shaw University** small business clients/members of SBA's programs and services including referrals to SBA's Resource Partners when appropriate.
- Upon request, provide speakers for SBA-sponsored events when appropriate.
- Provide a text-only hyperlink from **Shaw University** website to SBA's website.
- Assign a local point of contact to serve as liaison between Shaw University and SBA.

III. TERM

Cooperation under this SAM will commence upon signing by both Parties and will continue for a period of two years from date of signature unless otherwise terminated by one or both Parties as per paragraph V below.

IV. AMENDMENT

The Parties agree to consult each other on any amendment, modification or clarification to the provisions of this SAM. This SAM may only be amended or modified in writing and shall be consistent with applicable laws, regulations and SBA policy.

V. TERMINATION

Either Party may discontinue its participation under this SAM at any time, with or without cause, upon thirty (30) days written notice to the other Party.

VI. RELATIONSHIP

This SAM does not authorize the expenditure of any funds. Accordingly, this SAM shall not be interpreted as creating any binding legal obligations between the Parties nor shall it limit either Party from participating in similar activities or arrangements with other entities.

Nothing contained herein shall be construed to create any association, partnership, joint venture or relation of principal or agent or employer and employee with respect to **Shaw University** and SBA.

VII. RESPONSIBLE OFFICIALS

The responsible officials and points of contact for administrative matters pertaining to this SAM are:

Shaw University:

Name: Dr. MmaKalu
Title: Department Chair
Address: 118 E South Street
Raleigh NC 27601
Tel: 919-546-8344
e-mail: mkalu@shawu.edu

U.S. Small Business Administration:

Name: Lynn Douthett
Title: District Director
Address: 6302 Fairview Road
Charlotte NC 28210
Tel: 704-344-6563
e-mail: lynn.douthett@sba.gov

VIII. SIGNATURES

The signatories below represent that they have the authority to make such commitments on behalf of their respective organization:

U.S. Small Business Administration:

Mina Wales, Director of Strategic Alliance

Date

Cassius Butts, Regional Administrator

Date

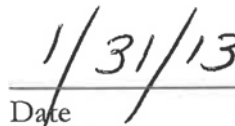
Lynn Douthett, District Director
North Carolina District Office

Date

Shaw University:



Representative, Shaw University



Date