



U.S. Small Business
Administration

**Statement of Allen Gutierrez
Associate Administrator
Office of Entrepreneurial Development
U.S. Small Business Administration**

**before the
House Committee on Small Business
Subcommittee on Investigations, Oversight, and Regulations**

**Hearing on SBA's Engagement with Historically
Black Colleges and Universities**

April 30, 2019

Statement of Allen Gutierrez
Associate Administrator
U.S. Small Business Administration

Thank you, Chairwoman Chu, Ranking Member Spano, and members of the subcommittee for inviting me to speak with you. In my testimony today, I would like to outline the role of the Office of Entrepreneurial Development (OED), as well as that of other SBA program offices, in working with Historically Black Colleges and Universities (HBCUs); share some history of how the agency has partnered with HBCUs over the years; comment on the GAO review; and identify how the agency can enhance our engagement in the future.

I serve as Associate Administrator for OED. Our program office oversees a network of programs and services that support small businesses. This network includes what we commonly refer to as our resource partners, among them, Small Business Development Centers (SBDCs). SBDCs are university based grantees that match federal funding from SBA with state and private funding to provide counseling and training to small business entrepreneurs. The SBDC system has 63 lead centers, and through them, 900 service centers.

The agency's Office of Field Operations (OFO) has responsibility for SBA's 68 district offices. OFO and their close to 700 staff serve as the primary interface of the agency with small business entrepreneurs. The Associate Administrator for OFO works with our 68 district office directors to implement SBA's programs and services. They also facilitate partnerships within their communities and work very closely with our SBDCs and other resource partners. It is at this local level and within this program office where the agency would intersect with HBCUs.

Along those lines, SBA district offices have a long history of working with HBCUs. Various SBA District Offices have signed strategic alliance memorandums with HBCUs over the years, such as Alcorn State; Mississippi Valley State; Florida A&M; Bethune-Cookman; and Morehouse College, to name a few. In North Carolina, all five HBCUs are part of our resource network and host Small Business Technology Development Centers (SBTDCs). Fayetteville State has also been a host to a veteran business outreach center, and schools like Shaw and Johnson C. Smith have had strategic alliance memorandums with our North Carolina District Office.

Other examples of collaboration include SBA's Washington Metropolitan District Office and their close working relationship with Howard University, which also serves as an SBDC lead center. Our Arkansas District Office and the University of Arkansas at Pine Bluff have participated in a veteran's services expo. Our Richmond District Office and Virginia State University have coordinated on a Boots-to-Business workshop, and our Philadelphia District Office has conducted workshops with Cheyney University. Lastly, our Baltimore District Office has collaborated on small business training and counseling activities with Morgan State, who also hosted a congressional field hearing last fall in which SBA testified on access to capital for underserved communities.

With that as background, let me turn next to the GAO review of SBA's activities in response to the President's Executive Order regarding federal agency collaboration with HBCUs.

The GAO's findings point to the need for a more holistic approach to the agency's efforts, which the agency has undertaken in order to make our implementation more consistent and to create more clear ownership of the initiative within the agency by program office.

Over the last two years, Administrator McMahon traveled to all 68 SBA district offices with the purpose of seeing firsthand how our programs and services are being delivered at the local level and to better align SBA headquarters with our district offices. The results of this effort will include more integrated customer service activities, including those involving engagement with HBCUs. For example, we plan to incorporate this in future Small Business Innovation Research program road tours, which is the federal government's research and development vehicle to support small businesses.

In previous years and administrations, responsibility for the HBCU initiative has resided in various SBA program offices. In 2018, in order to better align our activities with HBCUs, Administrator McMahon directed that my program office take a lead role in this effort. This includes participation by my office in interagency working groups, greater interaction with our field offices, preparation of annual agency plans, and the formation of an agency-wide intra-agency working group focused on HBCUs.

The GAO review has been instructive and has led to positive internal discussions on how we can strengthen the initiative going forward across program offices. Among our goals will be to break down any existing silos within our HBCU engagements, foster greater coordination with our Office of Field Operations, and ensure consistency and data collection.

Thank you again, Chairwoman Chu, for the opportunity to testify. I look forward to continuing to work with you and committee members on this and other areas of mutual interest.