



*If You Can Dream It. You Can Achieve It at an HBCU!*

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July 22, 2019

The Honorable Marco Rubio, Chairman  
Committee on Small Business &  
Entrepreneurship  
United States Senate  
428A Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Ben Cardin, Ranking Member  
Committee on Small Business &  
Entrepreneurship  
United States Senate  
428A Russell Senate Office Building  
Washington, D.C. 20510

Dear Chairman Rubio and Ranking Member Cardin:

On behalf of the richly diverse community of 156 Historically Black Colleges and Universities (HBCUs) and Predominantly Black Institutions (PBIs) that are our members, the National Association for Equal Opportunity in Higher Education (NAFEO), extends its profound appreciation to you for key provisions you are poised to include in the SBA Reauthorization and Improvement Act (SBA RIA) of 2019, that will create new opportunities for HBCUs and their service communities.

*The Entrepreneurial Development Programs at Historically Black Colleges or Universities (EDP HBCUs) provision in SBA RIA will provide the SBA with new tools to be more strategic about the manner in which it engages with HBCUs. It will position the SBA to take greater advantage of the tremendous human capital, partnerships, campus- and community-based research, and the entrepreneurial zeal on HBCU campuses that may not have been fully tapped by the Department heretofore. It will assist the SBA in planning strategically to tap into the human potential and other resources on HBCU campuses and to assess progress. It should also assist in ensuring that the HBCUs are aware and well positioned to avail themselves of the important programs, financial, and technical resources, and other opportunities at the SBA, that can assist them in creating or strengthening their small business and entrepreneurship programs, spawning small businesses, supporting their service communities, and other partners, and realizing their overall small business, entrepreneurship, and their campus-community goals, “CommUniversity.” As with every area of business performance enhancement, the establishment of the goals with respect to the engagement with HBCUs and the measuring of the outcomes are vitally important provisions to attaining the desired outcomes.*

The creation of the Innovation Centers in Underserved Communities Innovation Center in Underserved Communities that would award competitive, cooperative agreements to HBCUs and MSIs for the establishment or expansion of incubators, accelerators, and innovative small businesses would not only spur entrepreneurial ecosystems for underserved entrepreneurs, giving their businesses the best chance for success, but would also encourage collaboration between SBA and institutions of higher learning that serve low-income and minority populations. It would enhance and expand the time-honored HBCU campus-community relationship.

HBCUs, MSIs, their students and families, faculty and alumni have long been a part of the entrepreneurial and small business economic ecosystem of this nation, creating income streams that enable families to pay their everyday living expenses. They are also wealth generators, enabling families to increase their net worth, establish savings accounts, retirement funds, college funds, and to purchase homes. Not only

are HBCUs fostering innovation, economic growth and social mobility for disproportionate percentages of the growing populations of the Nation--low-income and middle-income families and persons of color—and stimulating the economies of their service areas, but all across this country they are leading in establishing and offering technical assistance to entrepreneurs in their service areas.”

As one example of what HBCUs are doing in the small business and entrepreneurship space, Baskerville referenced eighty-seven HBCUs as offering business degree programs, fifty of which are accredited by the Association to Advance Collegiate Schools of Business. Six HBCUs offer financial services curricula. Howard University School of Business is ranked number one in the Nation. 2018 Ranking - HBCU Schools Offering Business Programs. <https://hbcu-colleges.com/business>. The collective short-term economic impact of HBCUs \$15B in their service communities, alone.

Under a NAFEO program, some of the HBCUs have embraced the Kauffman Foundation-sponsored entrepreneurial learning curriculum of Clifton L. Taulbert. It has an increasing number of HBCUs transforming their culture, academics and administration by integrating entrepreneurial thinking across and throughout every aspect of the college experience. The new HBCU provisions in the Act can assist in accelerating these efforts.

A March 7, 2019 report of the Government Accounting Office found that Historically Black Colleges and Universities (HBCU) are recognized for, among other things, fostering strong small businesses and a strong economy. Despite successive Presidential Executive Orders on HBCUs beginning in 1980 when President Jimmy Carter established the vehicle for formalizing the relationship between the HBCU community and presidential administrations, and up to and including President Trump’s 2017 Executive Order on HBCUs, the GAO found that the SBA “does not specifically target Historically Black Colleges and Universities for outreach.” The *Entrepreneurial Development Programs at Historically Black Colleges or Universities provisions in the SBA Act*, especially those referenced herein, should move the SBA toward realizing its obligation under Executive Order 13779. They should move the SBA Reauthorization and Improvement Act in the direction of increasing excellent, robust, diverse, small business--the backbone of America.

We stand ready to engage our members in supporting this legislation.

Sincerely,

*Lezli Baskerville*

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