

GLENN HEGAR, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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Dec. 20, 2022

The Honorable Greg Abbott, Governor, State of Texas
The Honorable Dan Patrick, Lt. Governor, State of Texas
The Honorable Dade Phelan, Speaker, Texas House of Representatives

Gentlemen,

The Comptroller of Public Accounts' Statewide Historically Underutilized Business (HUB) Program is pleased to submit the fiscal 2022 Annual Statewide HUB Expenditure Report as required in Texas Government Code 2161.121. This report summarizes the state agency and institutions of higher education (university) contract awards and expenditures to HUBs. It has been updated following an additional data submission period requested by reporting agencies that discovered significant reporting errors. During the reporting period, eight agencies amended their data.

This report is a consolidated fiscal year report of state agency and university expenditures and includes:

- the number of and total dollar amount of contracts awarded and paid to HUBs,
- · an analysis of the relative level of opportunity for HUBs for purchases of goods and services, and
- the gender and number of qualified groups participating in bidding and awards.

Each agency submits its expenditure data for Sept. 1, 2021, through Aug. 31, 2022. The data submitted allow us to analyze expenditure data by gender and qualified certification groups of Asian American-, Black American-, Hispanic American-, Native American-, Women-, and service-disabled veteran-owned small businesses.

Overall, 3,654 out of 16,528 certified HUBs received awards totaling \$3,410,520,297. In comparing fiscal 2022 to fiscal 2021, the state's total expenditures decreased by 8 percent or by approximately \$2.5 billion; however, the total percentage spent with HUBs was higher in fiscal 2022 at 11.83 percent compared to 10.48 percent in fiscal 2021. Women- and Hispanic-owned HUBs received \$1.5 billion (\$1,488,688,593) and \$1.1 billion of the total HUB expenditure awards.

The Statewide HUB Program has successfully transitioned into an online HUB certification application process with all application and audit processes documented within each HUB record. Applications are submitted, reviewed, accepted, certified and audited directly through the online system, streamlining and documenting the process. We maintain 12 Memorandums of Agreements (MOAs) with various certification entities. At the end of fiscal 2022, the Statewide HUB Program held 16,528 active certified HUBs, with 9,590 HUBs directly certified by the CPA Statewide HUB Program and 6,938 certified through our MOA partners.

In fiscal 2023, the Statewide HUB Program will focus its education and outreach initiatives on new marketing and training presentations to include Best Practices for HUB Coordinators and HUB Subcontracting Plan (HSP) compliance for vendors and continue to encourage HUBs to use available procurement tools to increase their participation and success in the state's procurement process.

For questions about this Annual Report, contact Maya Ingram, manager of the Statewide HUB program, at maya.ingram@cpa.texas.gov, 888-863-5881 or 512-463-5872.

Respectfully,

Bobby Pounds, Director

Statewide Procurement Division Comptroller of Public Accounts