



GLENN HEGAR, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. BOX 13528 • AUSTIN, TEXAS 78711-3528

November 15, 2024

The Honorable Greg Abbott, Governor
The Honorable Dan Patrick, Lieutenant Governor
The Honorable Dade Phelan, Speaker of the House of Representatives

Gentlemen:

The Comptroller of Public Accounts' Statewide Historically Underutilized Business (HUB) Program is pleased to submit the *Statewide HUB Program's Fiscal 2024 Annual HUB Expenditure Report* as required by [Texas Government Code Section 2161.121](#). This report summarizes the state agency and institutions of higher education (university) contract awards and expenditures to HUBs within fiscal 2024.

The document is a consolidated fiscal year report of state agency and university expenditures and includes the following:

- The number of bids, proposals and HUB participants in state contracting.
- The total amount of treasury procurement expenditures and contract awards, both HUB and non-HUB.
- The total number of certified HUB businesses available to participate in solicitations.
- A breakdown of the state's term contract and group purchases.
- The number of qualified groups participating in bidding and awards.

Each entity submits its expenditure data for Sept. 1, 2023, through Aug. 31, 2024. The Comptroller's office analyzes expenditure data with qualified certification groups of Asian American-, Black American-, Hispanic American-, American Woman- and Service-Disabled Veteran-owned small businesses. In total, 3,634 HUB certified businesses received 21.43 percent of all statewide expenditures.

A comparison of the total HUB expenditures and contract awards from fiscal 2023 to 2024 is shown in the tables on page 3 of the Executive Summary. This comparison reports an increase in HUB awards and an increase in total dollars spent with HUBs in four out of the six categories.

State agency rankings and supplemental letters documenting their good faith efforts to educate HUBs and increase their solicitation response have also been included in this report. A copy of this report is available online at Historically Underutilized Business Reporting: <https://comptroller.texas.gov/purchasing/vendor/hub/reporting.php>.

There are a total of 16,995 certified HUBs of which **3,634** received awards totaling **\$4,116,141,798**. In comparing fiscal 2024 to fiscal 2023, the state's total budget increased by 22 percent or by an estimated \$6.5 billion, however, the total percentage spent with HUBs was higher in fiscal 2024 at 11.49 percent compared to 10.57 percent in fiscal 2023. Women- and Hispanic-owned HUBs received \$1.45 billion and \$1.60 billion of the total HUB expenditure awards.

The Statewide HUB Program uses an online HUB certification application platform with all application and audit processes documented within each HUB record. Applications are submitted, reviewed, accepted, certified and audited



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directly through the online system, streamlining and documenting the process. We maintain 12 Memorandums of Agreements (MOAs) with other certifying entities. During fiscal 2024, there were 16,988 certified HUBs eligible to contract with state agencies; 9,590 HUBs were directly certified by the Comptroller's Statewide HUB Program and 7,398 certified through MOA partners.

The program's **mission** is to encourage agencies to increase the use of HUB vendors in state purchasing and provide HUBs with useful information on the state's procurement process.

The program's **vision** is to certify qualified minority-, woman- and service-disabled veteran-owned small businesses in Texas as HUBs and increase their award opportunities.

The program's **philosophy** is to educate HUBs on the procurement process to improve their ability to respond to solicitations and be ready and capable to do business with the state of Texas, as well as educate the HUB Coordinators to maintain a compliant internal HUB Program.

For questions about this Annual HUB Report, please contact Linda Rogers, Manager of the Statewide HUB Program, by email at linda.rogers@cpa.texas.gov or at 512-936-4115.

Respectfully,

A handwritten signature in black ink, appearing to read "Bobby Pounds".

Bobby Pounds, Director
Statewide Procurement Division (SPD)
Comptroller of Public Accounts (CPA)

EXECUTIVE SUMMARY

In Texas, certification as a Historically Underutilized Business (HUB) can increase the opportunities of companies owned and operated by members of minorities, service-disabled veterans and women who do business with the state, thus furthering the Legislature’s goal of supporting such businesses. The HUB certification process is administered by the Statewide Procurement Division (SPD) of the Texas Comptroller of Public Accounts.

During fiscal 2024, Texas had **16,955** certified HUBs (16,955 certified EIN numbers and 33 sole proprietorships with multiple small, certified businesses using the same EINs). About **21.43 percent** of them participated in state contracts as prime contractors or subcontractors, collectively receiving **11.49 percent** of all statewide expenditures.

State entities must search the Centralized Master Bidders List (CMBL) when planning to buy goods and services that cost more than \$10,000. Based on the results of their searches, they contact vendors directly by mail, fax, email or telephone with invitations for bids. At the end of fiscal 2024, **almost 31 percent** of the state’s certified HUBs were registered with the CMBL.

The state’s total expenditures for fiscal 2024 increased by **22.1 percent** compared to the fiscal 2023 expenditures while the total HUB expenditures increased by **9.6 percent**. Overall, statewide term contract expenditures increased by **5.7 percent** while the total HUB spending on term contracts increased by almost 19 percent.

The state’s overall spending through group purchases for fiscal 2024 also increased by 17.6 percent from the same period in the previous year, from **\$95.98 million** to about **\$150 million**. Total group-purchasing dollars spent with HUBs increased by about 36.3 percent.

This report summarizes current HUB status and spending trends.

TOTAL STATEWIDE EXPENDITURES

The state’s total spending in fiscal 2024 increased by \$6.5 billion, while the share of statewide expenditures to HUB increased by 10 percent in 2024 and total expenditures with HUBs increased \$361.6 million in fiscal 2024.

FISCAL YEAR	TOTAL STATEWIDE EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Fiscal 2024 – Annual	\$35,825,169,225	\$4,116,141,798	11.49%
Fiscal 2023 – Annual	\$29,334,301,886	\$3,754,520,230	12.80%
Fiscal 2022 – Annual	\$28,819,459,638	\$3,410,520,298	11.83%

WHO OWNS TEXAS HUBS

ELIGIBLE HUB GROUPS	FISCAL 2024, ANNUAL			FISCAL 2023, ANNUAL		
	Number of Certified HUBs	Males	Females	Number of Certified HUBs	Males	Females
Asian Pacific American	1,588	1,006	582	1,480	959	521
Black American	5,096	2,550	2,546	4,895	2,496	2,399
Hispanic American	5,211	3,444	1,767	5,247	3,499	1,748
Native American	264	183	81	255	177	78
Woman*	4,444	0	4,444	4,616	0	4,616
Service-Disabled Veteran**	390	390	0	352	352	0
TOTAL	16,993	7,573	9,420	16,845	7,483	9,362

*The “Woman” category does not include women who are service-disabled veterans or of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

**The “Service-Disabled Veteran” category does not include women or individuals of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

Source: Texas Comptroller of Public Accounts.

EXPENDITURES WITH HUB GROUPS

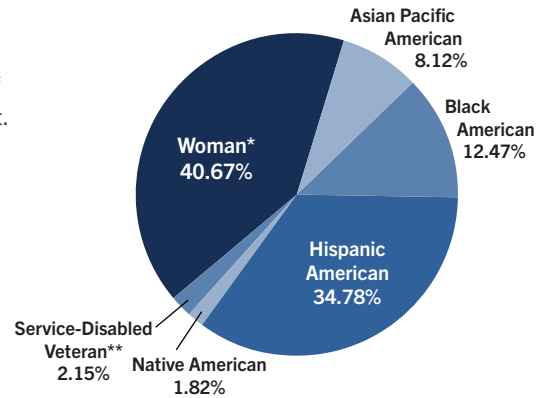
Between fiscal 2024 and fiscal 2023, the state’s overall spending increased by 22.1 percent (\$6.5 billion); total HUB expenditures increased from \$3.8 billion in fiscal 2022 to \$4.12 billion in fiscal 2023. Hispanic American- and Woman-owned HUBs received the most expenditures with \$1.60 billion and \$1.45 billion, respectively. However, while the Hispanic American total awards increased by 2, the total value of these awards increased by 23.1 percent; expenditures with women-owned HUBs decreased by 6.4 percent although the total number of awards remained the same.

The number of awards to Service-Disabled Veterans remained the same as in fiscal 2023. The total expenditures with Asian Pacific Americans increase by 17.3 percent in comparison to the expenditures with Native Americans, which rose by 31.9 percent. Additionally, the Black American total expenditure increased by 14.5 percent.

ELIGIBLE HUB GROUPS	FISCAL 2024, ANNUAL		FISCAL 2023, ANNUAL	
	Number of Awards	Total HUB Expenditure	Number of Awards	Total HUB Expenditure
Asian Pacific American	295	\$555,238,222	292	\$473,398,215
Black American	453	\$435,860,680	433	\$380,616,766
Hispanic American	1,264	\$1,559,137,548	1,262	\$1,266,527,620
Native American	66	\$85,286,349	61	\$64,669,934
Woman*	1,478	\$1,448,600,783	1,526	\$1,547,280,132
Service-Disabled Veteran**	78	\$32,018,212	78	\$22,012,528
TOTAL	3,634	\$4,116,141,798	3,652	\$3,754,505,195

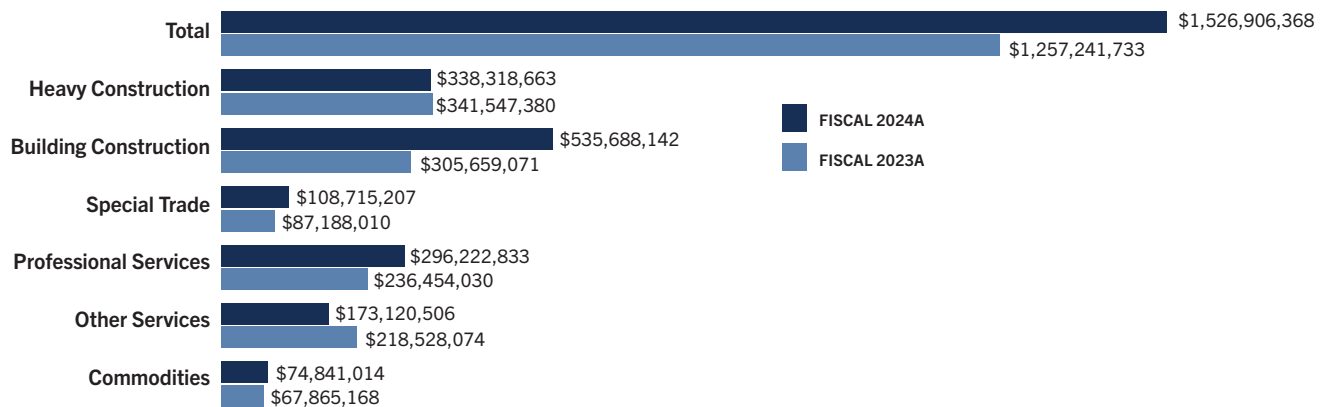
WHO RECEIVES HUB EXPENDITURES?

In fiscal 2024, HUB Hispanic American-owned businesses received 34.78 percent of state HUB expenditures and Women-owned businesses were awarded 40.67 percent.



SUBCONTRACTING

The following chart compares subcontracting spending with HUBs for fiscal 2024 and 2023:



Note: The number of awards reflected in the table above are those made to Vendor ID Numbers eligible for HUB credit. Similarly, the percentages reflected in the pie chart above are based on the number of Vendor ID Numbers eligible for HUB credit.

*The “Woman” category does not include women who are Service-Disabled Veterans or of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.
 **The “Service-Disabled Veteran” category does not include women or individuals who are of Asian Pacific American, Black American, Hispanic American and Native American ethnicities.

Source: Texas Comptroller of Public Accounts.

BUSINESS CATEGORIES

Overall, from fiscal 2023 to 2024, total state expenditures increased by 22 percent (\$6.5 billion), while total HUB expenditures increased by 9.6 percent (\$3.8 billion). The percentage of overall state expenditures with HUBs decreased from 12.8 percent to 11.49 percent. The following four categories increased in HUB expenditures:

- Building Construction increased by 62.1 percent.
- Special Trade by 20.6 percent.
- Professional Services by 29.9 percent.
- Commodities by 9.7 percent.

The two categories where HUB expenditures declined were Heavy Construction by 11.5 percent and Other Services by 10.4 percent.

Fiscal 2024 – Annual

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$11,013,863,189	\$504,383,334	4.58%
Building Construction	21.10%	\$3,701,168,838	\$728,982,963	19.70%
Special Trade	32.90%	\$1,334,666,777	\$366,244,490	27.44%
Professional Services	23.70%	\$2,146,480,955	\$545,949,923	25.43%
Other Services	26.00%	\$8,301,820,606	\$1,046,992,049	12.61%
Commodities	21.10%	\$9,327,168,858	\$923,589,036	9.90%
TOTAL**		\$35,825,169,225	\$4,116,141,798	11.49%

Fiscal 2024 Annual Statewide HUB Subcontracting Expenditures: \$1,526,906,368

Fiscal 2023 – Annual

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$8,657,953,203	\$569,952,882	6.58%
Building Construction	21.10%	\$2,194,586,682	\$449,953,869	20.50%
Special Trade	32.90%	\$1,138,585,392	\$303,689,811	26.67%
Professional Services	23.70%	\$1,818,851,843	\$420,317,537	23.11%
Other Services	26.00%	\$8,005,999,601	\$1,168,987,046	14.60%
Commodities	21.10%	\$7,518,325,164	\$841,719,084	11.20%
TOTAL**		\$29,334,301,885	\$3,754,520,229	12.80%

Fiscal 2023 Annual Statewide HUB Subcontracting Expenditures: \$1,127,241,733

Fiscal 2022 – Annual

CATEGORY	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$7,713,373,106	\$475,917,346	6.17%
Building Construction	21.10%	\$2,018,087,961	\$481,300,338	23.85%
Special Trade	32.90%	\$1,030,693,889	\$243,983,983	23.67%
Professional Services	23.70%	\$1,274,440,937	\$331,085,221	25.98%
Other Services	26.00%	\$9,831,454,024	\$1,108,169,733	11.27%
Commodities	21.10%	\$6,951,409,718	\$770,063,674	11.08%
TOTAL**		\$28,819,459,635	\$3,410,520,295	11.83%

Fiscal 2022 Annual Statewide HUB Subcontracting Expenditures: \$1,126,877,032

* For HUB reporting purposes, expenditures with all HUBs certified at any time during the current fiscal year are counted toward annual HUB procurement usage goals.

** Slight differences in some totals are due to rounding.

Source: Texas Comptroller of Public Accounts.

SPENDING ON STATEWIDE TERM CONTRACTS

Term contracts are developed to consolidate the needs of multiple agencies, providing a simpler purchasing process for commonly used items and yielding lower prices through higher-volume purchases.

During fiscal 2024, the state spent \$29 million more than previous year through term contracts. HUB expenditures through these contracts also increased by approximately \$1,131,000 during fiscal 2024 to over \$7.1 million.

Fiscal 2024 – Annual

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$1,975	\$0	0.00%
Building Construction	21.10%	\$ 10,152,540	\$136,140	1.34%
Special Trade	32.90%	\$ 1,363,874	\$0	0.00%
Professional Services	23.70%	\$ 1,833,122	\$0	0.00%
Other Services	26.00%	\$ 30,082,138	\$ 1,522,800	5.06%
Commodities	21.10%	\$ 493,159,006	\$ 5,441,110	1.10%
TOTAL**		\$536,592,655	\$7,100,050	1.32%

Fiscal 2023 – Annual

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$116,504	\$0	0%
Building Construction	21.10%	\$3,343,847	\$388,395	11.62%
Special Trade	32.90%	\$594,786	\$18,262	3.07%
Professional Services	23.70%	\$1,920,978	\$0	0.00%
Other Services	26.00%	\$ 27,309,464	\$ 711,887	2.61%
Commodities	21.10%	\$ 474,228,716	\$ 4,850,049	1.02%
TOTAL**		\$507,514,295	\$5,968,593	1.18%

Fiscal 2022 – Annual

TERM CONTRACTS	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$63,541	\$0	0.00%
Building Construction	21.10%	\$1,364,326	\$371,817	27.25%
Special Trade	32.90%	\$502,108	\$4,626	0.92%
Professional Services	23.70%	\$1,733,506	\$3,058	0.18%
Other Services	26.00%	\$18,557,786	\$ 770,303	4.15%
Commodities	21.10%	\$325,947,899	\$ 6,506,505	2.00%
TOTAL**		\$348,169,166	\$7,656,309	2.20%

State agencies and higher education institutions are responsible for the accuracy of their self-reported data and are required to confirm that they have reported correct information to the Comptroller's Statewide Procurement Division before the division finalizes its semiannual and annual HUB reports.

* For HUB reporting purposes, expenditures with all HUBs certified at any time during the current fiscal year are counted toward annual HUB procurement usage goals.

** Slight differences in some totals are due to rounding.

Source: Texas Comptroller of Public Accounts.

SPENDING ON STATEWIDE GROUP PURCHASING

Group purchasing allows institutions of higher education to coordinate their purchases to maximize their purchasing power.

During fiscal 2024, total state spending through group purchasing increased by approximately \$87.5 million, with the total HUB expenditures increasing by \$54.7 million to \$105.7 million.

Fiscal 2024 – Annual

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$53,641	\$53,641	100%
Building Construction	21.10%	\$19,767,725	\$8,869,223	44.87%
Special Trade	32.90%	\$34,605,668	\$14,930,774	43.15%
Professional Services	23.70%	\$1,744,463	\$23,335	1.34%
Other Services	26.00%	\$96,714,206	\$25,857,255	26.74%
Commodities	21.10%	\$342,879,331	\$100,969,707	29.45%
TOTAL**		\$ 495,765,034	\$ 150,703,935	30.40%

Fiscal 2023 – Annual

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	0	\$0	0.00%
Building Construction	21.10%	\$10,853,541	\$5,601,684	51.61%
Special Trade	32.90%	\$32,205,035	\$9,236,498	28.68%
Professional Services	23.70%	\$1,136,150	\$19,863	1.75%
Other Services	26.00%	\$74,632,284	\$11,379,475	15.25%
Commodities	21.10%	\$289,466,020	\$69,737,004	24.09%
TOTAL**		\$408,293,030	\$95,974,524	23.51%

Fiscal 2022 – Annual

GROUP PURCHASING	HUB GOALS*	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB PERCENT
Heavy Construction	11.20%	\$0	\$0	0.00%
Building Construction	21.10%	\$11,888,010	\$830,420	6.99%
Special Trade	32.90%	\$16,792,595	\$2,138,501	12.73%
Professional Services	23.70%	\$679,003	\$6,026	0.89%
Other Services	26.00%	\$79,046,584	\$9,628,778	12.18%
Commodities	21.10%	\$287,953,763	\$84,294,813	29.27%
TOTAL**		\$396,359,955	\$96,898,538	24.45%

* For HUB reporting purposes, expenditures with all HUBs certified at any time during the current fiscal year are counted toward annual HUB procurement usage goals.

** Slight differences in some totals are due to rounding.

Source: Texas Comptroller of Public Accounts