

BILL ANALYSIS

C.S.H.B. 2604
By: Miles
Government Reform
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In the 1990's, the State of Texas conducted a statewide disparity study to measure the number and availability of historically underutilized businesses. Texas adopted the Historically Underutilized Business Program (HUB) to facilitate the use of HUBs in state procurement, and to effectively provide information on the state's procurement process to minority and woman-owned businesses.

A decade later, the state is still using the report from the 1990's. This substitute requires the Texas Building and Procurement Commission (commission) to use the most recent report when adopting or revising the HUB rules. The substitute also adds to what state agencies must report in their strategic plan.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The bill amends the Government Code to require the Texas Building and Procurement Commission (commission), to revise existing rules relating to the Historically Underutilized Business Program (HUB) to the disparity study commissioned by the commission and prepared by Mason Tillman Associates, Ltd and thus no longer use the "State of Texas Disparity Study, A Report to the Texas Legislature as Mandated by H.B. 2626, 73rd Legislature, December 1994" (prepared by National Economic Research Associates, Inc.).

The bill requires the state auditor, in determining whether a state agency is making a good faith effort to comply with HUB, to consider whether the agency established goals for contracting with historically underutilized businesses in each procurement category based on: scheduled fiscal year expenditures; and the availability of historically underutilized businesses in each category as determined by existing rule making authority under Section 2161.002 of the Government Code.

The bill adds language to require each state agency to include in its Legislative Appropriations Request: the agency's established goals, as previously mentioned; a statement of whether the goals were met; and if the goals were not met, an explanation with the percentage by which the agency's actual use of HUBs deviated from the goals.

Lastly, the substitute makes conforming changes to the Government Code.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute requires the state auditor, in determining whether a state agency is making a good faith effort to comply with HUB, to consider whether the agency established goals for contracting with historically underutilized businesses in each procurement category based on: scheduled fiscal year expenditures; and the availability of historically underutilized businesses in

each category as determined by existing rule making authority under Section 2161.002 of the Government Code. The original bill makes no such requirement.

The substitute adds language to require each state agency to include in its Legislative Appropriations Request: the agency's established goals, as previously mentioned; a statement of whether the goals were met; and if the goals were not met, an explanation with the percentage by which the agency's actual use of HUBs deviated from the goals. The original bill makes no such requirement.