

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2604 by Miles (Relating to planning and administration of the state's historically underutilized business program.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would require that the Texas Building and Procurement Commission (TBPC) develop rules related to the historically underutilized business program based on the results of the disparity study commissioned by TBPC.

The bill would require that state agencies establish goals for contracting with historically underutilized businesses (HUB) in each procurement category based on scheduled fiscal year expenditures and the availability of HUBs in each category as determined by the rules established and adopted by the TBPC.

The bill would require that state agencies include in their Legislative Appropriations Request a detailed report that includes the agency's goals for contracting with HUBs and a statement whether the goals established were met during the two calendar years preceding the calendar year in which the request is submitted.

The bill would require additional explanation if the goals were not met during the two calendar years preceding the calendar year in which the request is submitted that includes a statement of the percentage by which the agency's actual use of HUBs deviated from the agency's goals and an explanation of why the goals were not met.

It is anticipated that any costs related to implementing the provisions of the bill could be absorbed with existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Building and Procurement Commission, 308 State Auditor's Office

LBB Staff: JOB, MN, MS, EP