The University of Texas System
Historically Underutilized Business (HUB) Program
Executive Summary
2002

As noted in the table below, The University of Texas System's total expenditures on reportable goods and services increased 9.0% from $1.3 billion in 2001 to $1.5 billion in 2002, while HUB expenditures increased 17.6% ($26.6 million) to $177.2 million for 2002. HUB expenditures and HUB participation rates for each U. T. System component institution for 2001 and 2002 are reflected on Attachment 1. No underutilized HUB participation goals were met; however, three overutilized HUB participation goals in the categories of heavy construction, special trade construction, and professional services were exceeded. U. T. System underutilized HUB participation rate exceeded the overall state percentage, and the U. T. System percentages exceeded the state average rates in four procurement categories (building construction, special trade construction, other services, and commodities).

The statewide HUB program reported a 22% increase in expenditures on reportable goods and services in 2002; however, total HUB expenditures decreased 3.3% ($34 million) from 2001. No underutilized HUB participation goals were met; however, overutilized HUB participation goals were met in the professional services, and commodities procurement categories.

The University of Texas System HUB Expenditures			
Fiscal Year	Total Expenditures	HUB Expenditures	HUB Expenditures %
2002	$ 1,468,463,058	$ 177,150,385	12.0%
2001	$ 1,347,193,062	$ 150,579,045	11.2%
Increase ($)	$ 121,269,996	$ 26,571,340	
Increase (%)	9.0%	17.6%	

Statewide HUB Expenditures			
Fiscal Year	Total Expenditures	HUB Expenditures	HUB Expenditures %
2002	$ 10,180,014,489	$ 982,305,670	9.6%
2001	$ 8,341,705,020	$ 1,016,340,002	12.2%
Increase / Decrease ($)	$ 1,838,309,469	$ (34,034,332)	
Increase / Decrease (%)	22.0%	(3.3)%	

Prepared by the Office of Historically Underutilized Business Programs – 10/30/2002

The following five U. T. institutions are noted among the Top 25 Agencies Spending more than $5 Million with Largest Percentage Spent with HUBs (Attachment 2): U. T. San Antonio (26.6%), U. T. Dallas (24.9%), U. T. Brownsville (21.0%), U. T. Arlington (18.0%), and U. T. Pan American (17.9%). Twelve U. T. institutions are also among the Top 50 Agencies by Total Expenditures.

The State HUB Report was based upon incorrectly reported expenditures for The University of Texas Health Science Center at Houston (HSC-H). Total expenditures for HSC-H were overstated by $1.5 billion resulting in a misstated total HUB expenditure rate of .67% for the institution. Actual total expenditures for the institution were $107.3 million with a HUB expenditure rate of 9.8% ($10.5 million). U. T. System is currently working with the Texas Building and Procurement Commission to address these issues, and a corrected State HUB Report is anticipated.

A separate report pertaining to HUB participation in revenue financing expenditures is required by the Texas Education Code. U. T. System reports 10.5% minority-and-woman-owned business enterprise (MWBE) participation in contracts relating to items financed by revenue bond proceeds, and 5% MWBE participation in contracts relating to costs of issuing bonds.

The complete fiscal year 2002 Annual Historically Underutilized Business (HUB) Report is available for your review upon request.

Attachment I

The University of Texs System
HUB Program Performance by Institution
2002

Institutions	HUB Expenditures				HUB Participation Rates	
	Expenditures		Change			
	2001	2002	(%)	(%)	2001	2002
U. T. Arlington	$ 5,123,850	$ 6,783,159	$ 1,659,309	32.4 %	13.8 %	17.9 %
U. T. Austin	22,231,278	20,131,000	(2,100,278)	(9.5)	11.6	10.3
U. T. Brownsville	1,382,229	1,390,397	8,168	0.6	32.7	21.0
U. T. Dallas	3,921,016	8,085,788	4,164,772	106.2	20.2	24.9
U. T. El Paso	2,752,686	2,439,759	(312,927)	(11.4)	11.5	10.6
U. T. Pan American	2,589,607	3,100,396	510,789	19.7	18.1	17.8
U. T. Permian Basin	359,781	406,412	46,631	13.0	11.0	8.2
U. T. San Antonio	7,039,416	8,325,701	1,286,285	18.3	22.7	26.6
U. T. Tyler	720,658	743,501	22,843	3.2	11.2	11.3
Academic Institutions	46,120,521	51,406,113	5,285,592	11.5		
U. T. Southwestern Medical Center at Dallas	18,212,498	16,768,448	(1,444,050)	(7.9)	15.0	13.5
U. T. Medical Branch at Galveston	19,988,514	26,039,998	6,051,484	30.3	12.0	12.8
U. T. Health Science Center at Houston	11,674,444	10,543,990	(1,130,454)	(9.7)	15.6	9.8
U. T. Health Science Center at San Antonio	6,224,006	6,308,423	84,417	1.4	12.7	13.3
U. T. M. D. Anderson Cancer Center	22,227,347	27,544,538	5,317,191	23.9	7.5	10.7
U. T. Health Center at Tyler	1,260,111	2,218,557	958,446	76.1	4.6	5.7
Health Institutions	79,586,920	89,423,954	9,837,034	12.4		
System Administration	24,871,604	36,320,318	11,448,714	46.0	8.09	10.2
TOTAL	$ 150,579,045	$ 177,150,385	$ 26,571,340	17.7 %		

Fiscal Year 2002

Top 25 Agencies Spending more than $5 Million with Largest Percentage Spent with HUBs

Rank	Agency Number	Agency Name	Total Expenditures	Total HUB Expenditures	HUB % of Expenditures
1	315	Texas Tomorrow Fund	$ 8,374,887.21	$ 2,716,013.83	32.43%
2	454	Texas Department of Insurance	$ 6,204,156.23	$ 1,878,121.70	30.27%
3	743	University of Texas at San Antonio	$ 31,255,962.26	$ 8,325,701.47	26.64%
4	303	Texas Building and Procurement Commission	$ 41,138,798.15	$ 10,639,209.01	25.86%
5	103	Texas Legislative Council	$ 17,073,211.70	$ 4,379,322.25	25.65%
6	738	University of Texas at Dallas	$ 32,467,635.53	$ 8,085,788.52	24.90%
7	320	Texas Workforce Commission	$ 37,042,969.79	$ 8,729,630.65	23.57%
8	727	Texas Transportation Institute	$ 5,232,898.50	$ 1,218,889.88	23.29%
9	330	Texas Rehabilitation Commission	$ 20,215,998.00	$ 4,343,367.52	21.48%
10	323	Teacher Retirement System	$ 9,569,221.54	$ 2,031,934.72	21.23%
11	747	University of Texas - Brownsville	$ 6,612,443.24	$ 1,390,397.77	21.03%
12	759	University of Houston - Clear Lake	$ 9,982,823.14	$ 2,083,954.05	20.88%
13	302	Office of the Attorney General	$ 78,985,580.87	$ 16,110,923.35	20.40%
14	313	Department of Information Resources	$ 32,062,375.35	$ 6,376,575.72	19.89%
15	304	Comptroller of Public Accounts	$ 37,030,514.89	$ 7,240,514.59	19.55%
16	582	Texas Commission on Environmental Quality	$ 74,647,465.15	$ 13,425,669.42	17.99%
17	714	University of Texas at Arlington	$ 37,780,248.37	$ 6,783,159.98	17.95%
18	736	University of Texas - Pan American	$ 17,415,509.34	$ 3,100,396.50	17.80%
19	763	University of North Texas Health Science Center - Fort Worth	$ 19,842,840.44	$ 3,355,250.26	16.91%
20	455	Texas Railroad Commission	$ 19,383,195.13	$ 3,192,260.68	16.47%
21	453	Texas Worker's Compensation Commission	$ 7,579,966.14	$ 1,169,496.71	15.43%
22	751	Texas A & M University - Commerce	$ 11,852,064.51	$ 1,814,055.67	15.31%
23	405	Texas Department of Public Safety	$ 97,583,589.78	$ 14,623,428.43	14.99%
24	788	Lamar State College - Port Arthur	$ 9,745,869.50	$ 1,434,320.69	14.72%
25	324	Texas Department of Human Services	$ 119,177,411.38	$ 16,965,228.40	14.24%