

May 17, 2018

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Legislative Budget Board  
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Austin, Texas 78701

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Comptroller of Public Accounts  
111 E. 17th Street  
Austin, Texas 78774

Re: Texas Funeral Service Commission (513) HUB Compliance Plan - REVISED

To Whom It May Concern:

In accordance with Art. IX, Section 7.07 Historically Underutilized Business Policy Compliance of Tex. S.B. 1, 85th Leg., R.S. (2017), the Texas Funeral Service Commission hereby submits this report on its compliance and plan for maintaining future compliance with Government Code, §2161.123.

In accordance with Section 7.07(a), the Commission presents the following information as evidence of its efforts to comply with its HUB goals.

<b>FY2016</b>					
<b>Category</b>	<b>Total \$ Spent</b>	<b>Total HUB \$ Spent</b>	<b>Percent</b>	<b>Agency Specific Goal</b>	<b>Statewide Goal</b>
Other Services	\$14,766	\$294	1.99%	1%	26%
Commodities	\$3,444	\$2,428	70.51%	50%	21.1%

<b>FY2017</b>					
<b>Category</b>	<b>Total \$ Spent</b>	<b>Total HUB \$ Spent</b>	<b>Percent</b>	<b>Agency Specific Goal</b>	<b>Statewide Goal</b>
Other Services	\$13,809	\$695	5.03%	1%	26.0%
Commodities	\$9,019	\$8,486	94.09%	60%	21.1%

The Commission's HUB policy is responsive to Sec. 7.07 and requires that the Commission purchase commodities and other services from HUB vendors in specified percentages. The percentages are adjusted annually based upon the agency's performance during the prior year and anticipated needs.

According to Commission policy, the agency will attempt to obtain at least three bids, including a minimum of two bids from HUBs, on all commodity purchases in excess of \$5,000. However, the vast majority of agency purchases involve commodities or IT services from set-aside vendors or DIR.

The Commission refers to the 2009 Texas Disparity Study conducted by the Comptroller of Public Accounts Texas Procurement and Support Services Division (TPASS) for the information requested in Sec. 7.07 (a)(3)(A)-(D). The findings and results from 2009 Disparity Study are fully incorporated herein for all pertinent purposes, as if set forth verbatim herein. The activities stated in Sec. 7.07 (3)(A)-(D) are activities associated with conducting a disparity study. These reporting requirements were also included in Rider 18, from the previous legislative session. TPASS addressed these reporting activities in its response to the State Auditor's Office (SAO) Report No. 15-006, October 2014, Page 83-84 (see excerpt below). The Commission is in agreement with the TPASS statement. The agency also notes it has not been appropriated any funds to conduct future disparity study activities nor does it have the expertise, information required, or resources to sufficiently conduct these activities.

*C. We did not include Items (a) through (d) of Rider 18 in the assessment instrument. This decision was based on the fact that state agencies and institutions of higher education neither have sufficient resources nor the required information to perform quarterly tasks identified in items (a) through (d). Conducting items (a), (b), and (c) requires access to "Availability" data. In that respect, one must have an exhaustive list of all Ready, Willing, and Able minority (not limited to HUB vendors) and non-Minority vendors in Texas to be able to perform those tasks. Conducting "statistical disparities by race, ethnicity, and gender" in "firms earning" and "in the area of utilization of women-and minority owned firms" and "in commercial construction" is a very complex task which requires a high level of statistical expertise and collection of relevant data through surveys and interviews, which would be nearly impossible to conduct on a quarterly basis. Likewise, item (d), which requires an analysis of "anecdotal testimony of disparate treatment ... [of] business owners," is a lengthy and costly process and practically impossible to conduct on a quarterly basis. Anecdotal data for recording "disparate treatment as presented by business owners" must be collected through public hearings, focus groups, and statewide surveys of business owners. The process of collecting anecdotal testimonies is often lengthy and extremely costly, and it requires a high level of expertise and resources. These tasks are commonly performed when conducting a disparity study and may take a year or longer to complete. In that respect, items (a), (b), (c), and (d) listed in Rider 18 can be performed by conducting a new statewide Disparity Study or updating the Texas Disparity Study-2009, which we already have underway.*

The Commission, by and through its HUB policy and goals, will continue to make good faith efforts to meet its goals established under Tex. Gov't Code Ann. §261.123(d)(5) for increasing its use of historically underutilized businesses.

Should you have any questions or concerns regarding this report, please do not hesitate to contact me or Ms. Jennifer Noack, Chief Financial Officer, at 512-936-2474.

Sincerely,

Janice McCoy  
Executive Director