

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

REPORT REQUIREMENTS AND METHODOLOGY

The Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f), requires agencies and institutions of higher education that receive appropriations to provide an annual report to the Legislative Budget Board (LBB) and the Office of the Governor that details the actions conducted to ensure compliance with state procurement requirements. The LBB’s Contract Oversight Team surveyed state leaders and finance directors to facilitate compliance with this requirement. The questionnaire prompted state entities to report the compliance actions that they conducted during fiscal year 2024 from the following common practices:

- conducted internal trainings;
- attended external trainings;
- obtained certifications for procurement personnel;
- increased the number of or reorganized procurement personnel;
- dedicated more funding to contract compliance;
- hired consultants;
- increased management involvement;
- communicated with oversight entities;
- studied best practices from other organizations; and
- revised contracting manual or procedures.

In addition, the questionnaire enabled state entities to include additional comments regarding the compliance actions they conducted during the year.

LBB staff received responses from 156 agencies and institutions. Appendix A shows all state entities’ responses regarding these 10 actions.

KEY FINDINGS

- ◆ The most utilized compliance action, reported by 80.8 percent of respondents, was conducting internal trainings. The second-most used action, reported by 78.2 percent of respondents, was attending external trainings.
- ◆ Hiring consultants was the least used compliance action, conducted by 10.9 percent of state entities.
- ◆ The 25 largest state entities, based on the combined value of contracts awarded, were more likely than smaller entities to conduct each compliance action. This group of large state entities awarded a combined total contract value of more than \$34.4 billion during fiscal year 2024, which represents more than 88.1 percent of the total amount contracted by state entities during that year.
- ◆ The questionnaire responses indicate that most state entities are considering procurement requirements seriously and proactively conducting actions to ensure compliance.

ANALYSIS OF ALL RESPONDENTS

The average respondent reported conducting 6.0 of the 10 listed compliance actions. Conducting internal training, attending external trainings, obtaining certifications for procurement personnel, and increasing management involvement were the most reported compliance actions, and each was performed by more than 71.0 percent of all reporting entities. The least reported actions conducted were dedicating more funding to contract compliance and hiring consultants, which

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

fewer than 25.0 percent of respondents reported utilizing. Figure 1 shows how many state entities reported the completion of each compliance action.

FIGURE 1
TOTAL AFFIRMATIVE RESPONSES BY COMPLIANCE ACTION AS REPORTED BY STATE ENTITIES, FISCAL YEAR 2024

ACTION	AFFIRMATIVE RESPONSES (156 RESPONDING ENTITIES)	PERCENTAGE
Internal Trainings	126	80.8%
External Trainings	122	78.2%
Certifications	120	76.9%
Increased Management Involvement	112	71.8%
Studied Best Practices	109	69.6%
Revised Contracting Manual or Procedures	105	67.3%
Communicated with Oversight Entities	103	66.0%
Increased or Reorganized Staff	83	53.2%
Dedicated More Funding	39	25.0%
Hired Consultants	17	10.9%

SOURCE: Legislative Budget Board.

ANALYSIS OF THE 25 LARGEST STATE ENTITIES

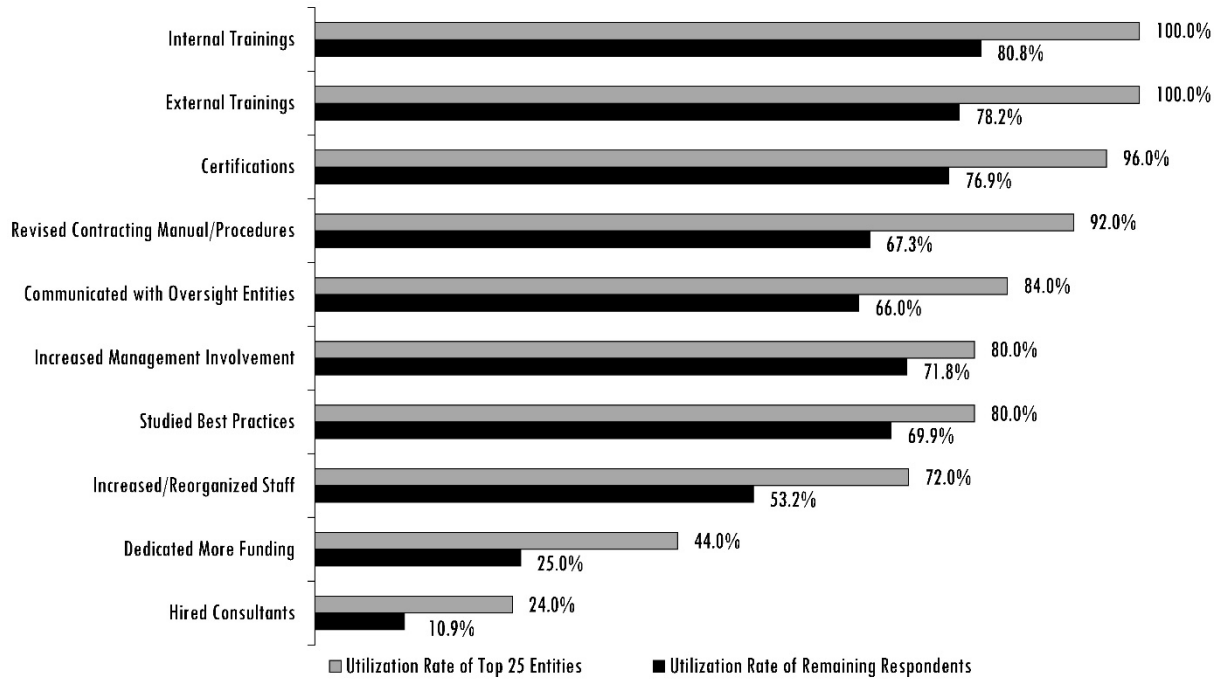
The top 25 state entities, based on total contracted amounts during fiscal year 2024, were more likely to report conducting each compliance action than were the remaining 131 respondents. Five of the top 25 entities reported conducting all 10 compliance actions, and 19 reported conducting at least seven actions. On average, a top-25 entity conducted 7.7 compliance actions, compared to an average of 6.0 actions for all other respondents. The top 25 state entities are responsible for awarding \$34.4 billion (88.1 percent) of the \$39.1 billion combined total of all contracts awarded by the state.

Figure 2 shows the utilization rate of each compliance action by the top 25 state entities compared to the remaining entities.

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

**FIGURE 2
UTILIZATION RATE OF EACH COMPLIANCE ACTION BY TOP 25 STATE ENTITIES COMPARED TO REMAINING RESPONDENTS
FISCAL YEAR 2024**



SOURCE: Legislative Budget Board.

ANALYSIS OF OPTIONAL RESPONSES

Respondents had the option to include other compliance actions conducted in addition to the 10 actions shown in the questionnaire. Of the 156 respondents, 85 provided input on additional measures they have implemented. Many state entities used these fields to provide more context about their responses (e.g., describing how they increased management involvement or reorganized procurement staffing). The LBB’s Contracts Oversight Team will use this information internally to better understand state entities’ procurement practices, and the responses are available upon request.

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

APPENDIX A – STATE ENTITY ACTIONS REPORTED TO ENSURE COMPLIANCE WITH STATE PROCUREMENT REQUIREMENTS, FISCAL YEAR 2024

REPORTING ENTITIES BY AGENCY NUMBER	CONDUCTED INTERNAL TRAININGS	ATTENDED EXTERNAL TRAININGS	CERTIFICATIONS FOR PROCUREMENT PERSONNEL	INCREASED OR REORGANIZED PROCUREMENT PERSONNEL	DEDICATED MORE MONEY TO CONTRACT COMPLIANCE	HIRED CONSULTANTS	INCREASED MANAGEMENT INVOLVEMENT	COMMUNICATED WITH OVERSIGHT ENTITIES	STUDIED BEST PRACTICES FROM OTHER ORGANIZATIONS	REVISED CONTRACTING MANUAL AND PROCEDURES
201 – Supreme Court of Texas			X				X			
211 – Court of Criminal Appeals								X	X	
212 – Office of Court Administration, Texas Judicial Council	X		X	X	X		X		X	X
221 – First Court of Appeals	X			X			X	X	X	X
222 – Second Court of Appeals	X	X					X		X	
223 – Third Court of Appeals									X	
224 – Fourth Court of Appeals	X									
225 – Fifth Court of Appeals	X	X								
226 – Sixth Court of Appeals (1)										
227 – Seventh Court of Appeals (1)										
228 – Eighth Court of Appeals	X			X			X		X	
229 – Ninth Court of Appeals (!)										
230 – Tenth Court of Appeals		X								
231 – Eleventh Court of Appeals		X					X	X	X	
232 – Twelfth Court of Appeals (1)										
233 – Thirteenth Court of Appeals	X								X	
234 – Fourteenth Court of Appeals	X			X			X	X	X	X
242 – State Commission on Judicial Conduct (1)										
243 – State Law Library				X			X			

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

REPORTING ENTITIES BY AGENCY NUMBER	CONDUCTED INTERNAL TRAININGS	ATTENDED EXTERNAL TRAININGS	CERTIFICATIONS FOR PROCUREMENT PERSONNEL	INCREASED OR REORGANIZED PROCUREMENT PERSONNEL	DEDICATED MORE MONEY TO CONTRACT COMPLIANCE	HIRED CONSULTANTS	INCREASED MANAGEMENT INVOLVEMENT	COMMUNICATED WITH OVERSIGHT ENTITIES	STUDIED BEST PRACTICES FROM OTHER ORGANIZATIONS	REVISED CONTRACTING MANUAL AND PROCEDURES
300 – Trusteed Programs within the Office of the Governor	X	X	X				X	X		
301 – Office of the Governor	X	X	X				X	X		
302 – Office of the Attorney General	X	X	X	X			X	X	X	X
303 – Texas Facilities Commission	X	X	X	X	X			X	X	X
304 – Comptroller of Public Accounts	X	X	X	X					X	X
305 – General Land Office and Veterans Land Board	X	X	X	X			X	X	X	X
306 – Texas State Library and Archives Commission	X	X	X	X	X		X	X	X	X
307 – Secretary of State	X	X	X	X	X	X	X	X	X	X
312 – State Securities Board	X	X					X	X	X	X
313 – Department of Information Resources	X	X	X	X	X	X	X	X	X	X
320 – Texas Workforce Commission	X	X	X	X	X		X	X	X	X
323 – Teacher Retirement System of Texas	X	X	X	X	X		X	X	X	X
326 – Texas Emergency Services Retirement System	X	X	X	X		X	X	X	X	X
327 – Employees Retirement System of Texas	X	X	X	X	X	X	X	X	X	X
332 – Texas Department of Housing and Community Affairs	X		X						X	
338 – State Pension Review Board							X			
347 – Texas Public Finance Authority		X	X				X	X		
352 – Bond Review Board									X	
356 – Texas Ethics Commission	X	X	X				X	X		X
359 – Office of Public Insurance Counsel	X	X		X						X
360 – State Office of Administrative Hearings	X	X	X				X	X	X	X

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

REPORTING ENTITIES BY AGENCY NUMBER	CONDUCTED INTERNAL TRAININGS	ATTENDED EXTERNAL TRAININGS	CERTIFICATIONS FOR PROCUREMENT PERSONNEL	INCREASED OR REORGANIZED PROCUREMENT PERSONNEL	DEDICATED MORE MONEY TO CONTRACT COMPLIANCE	HIRED CONSULTANTS	INCREASED MANAGEMENT INVOLVEMENT	COMMUNICATED WITH OVERSIGHT ENTITIES	STUDIED BEST PRACTICES FROM OTHER ORGANIZATIONS	REVISED CONTRACTING MANUAL AND PROCEDURES
362 – Texas Lottery Commission	X	X	X				X	X		X
401 – Texas Military Department	X	X	X	X			X	X	X	X
403 – Texas Veterans Commission			X	X		X			X	X
405 – Department of Public Safety	X	X	X	X	X		X	X	X	X
407 – Texas Commission on Law Enforcement		X	X	X			X	X	X	X
409 – Texas Commission on Jail Standards		X	X				X	X	X	X
411 – Commission on Fire Protection	X		X	X			X	X	X	
448 – Office of Injured Employee Counsel	X	X	X	X				X		X
452 – Texas Department of Licensing and Regulation	X	X					X	X		
454 – Texas Department of Insurance	X	X	X	X				X		X
455 – Railroad Commission of Texas	X	X	X	X	X			X	X	X
456 – Texas State Board of Plumbing Examiners	X	X		X	X		X	X	X	
458 – Texas Alcoholic Beverage Commission	X	X	X	X	X		X	X	X	X
460 – Texas Board of Professional Engineers and Land Surveyors	X	X	X				X		X	
473 – Public Utility Commission of Texas	X	X	X	X						X
475 – Office of Public Utility Counsel	X	X	X	X			X	X	X	X
476 – Texas Racing Commission	X		X	X			X			
477 – Commission on State Emergency Communications	X	X	X	X			X		X	X
479 – State Office of Risk Management	X	X		X			X		X	X
481 – Texas Board of Professional Geoscientists							X	X	X	
503 – Texas Medical Board	X	X	X	X	X		X	X	X	X

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

REPORTING ENTITIES BY AGENCY NUMBER	CONDUCTED INTERNAL TRAININGS	ATTENDED EXTERNAL TRAININGS	CERTIFICATIONS FOR PROCUREMENT PERSONNEL	INCREASED OR REORGANIZED PROCUREMENT PERSONNEL	DEDICATED MORE MONEY TO CONTRACT COMPLIANCE	HIRED CONSULTANTS	INCREASED MANAGEMENT INVOLVEMENT	COMMUNICATED WITH OVERSIGHT ENTITIES	STUDIED BEST PRACTICES FROM OTHER ORGANIZATIONS	REVISED CONTRACTING MANUAL AND PROCEDURES
504 – Texas State Board of Dental Examiners	X	X	X				X			
506 – University of Texas M.D. Anderson Cancer Center	X	X	X	X	X	X	X	X	X	X
507 – Texas Board of Nursing			X				X	X	X	X
508 – Texas Board of Chiropractic Examiners		X	X							
510 – Texas Behavioral Health Executive Council		X					X		X	X
513 – Texas Funeral Service Commission (1)										
514 – Texas Optometry Board (1)										
515 – Texas State Board of Pharmacy	X	X	X	X						
529 – Health and Human Services Commission	X	X	X	X			X	X		X
530 – Department of Family and Protective Services	X	X						X	X	X
533 – Executive Council of Physical Therapy and Occupational Therapy Examiners (1)										
537 – Department of State Health Services	X	X	X	X			X	X		X
542 – Cancer Prevention and Research Institute of Texas		X						X	X	
551 – Texas Department of Agriculture	X	X	X	X	X		X	X	X	X
554 – Texas Animal Health Commission		X	X	X			X	X	X	
555 – Texas A&M AgriLife Extension Service	X	X	X	X				X	X	X
556 – Texas A&M AgriLife Research	X	X	X	X				X	X	X
557 – Texas A&M Veterinary Medical Diagnostic Laboratory	X	X	X	X				X	X	X
575 – Texas Division of Emergency Management	X	X	X	X	X		X	X	X	X
576 – Texas A&M Forest Service	X	X						X	X	

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

REPORTING ENTITIES BY AGENCY NUMBER	CONDUCTED INTERNAL TRAININGS	ATTENDED EXTERNAL TRAININGS	CERTIFICATIONS FOR PROCUREMENT PERSONNEL	INCREASED OR REORGANIZED PROCUREMENT PERSONNEL	DEDICATED MORE MONEY TO CONTRACT COMPLIANCE	HIRED CONSULTANTS	INCREASED MANAGEMENT INVOLVEMENT	COMMUNICATED WITH OVERSIGHT ENTITIES	STUDIED BEST PRACTICES FROM OTHER ORGANIZATIONS	REVISED CONTRACTING MANUAL AND PROCEDURES
578 – State Board of Veterinary Medical Examiners	X	X	X	X			X	X	X	X
580 – Texas Water Development Board	X	X	X	X	X		X	X		X
582 – Texas Commission on Environmental Quality	X	X	X	X			X	X		X
592 – Texas State Soil and Water Conservation Board		X	X	X					X	
601 – Texas Department of Transportation	X	X	X	X	X	X	X	X	X	X
608 – Texas Department of Motor Vehicles	X	X	X			X	X	X	X	X
644 – Texas Juvenile Justice Department	X	X	X	X			X	X	X	X
696 – Texas Department of Criminal Justice	X	X	X	X			X	X	X	X
701 – Texas Education Agency	X	X	X				X	X	X	X
709 – Texas A&M University System Health Science Center	X	X	X				X	X		X
710 – Texas A&M University System	X	X	X	X					X	X
711 – Texas A&M University	X	X	X				X	X		X
712 – Texas A&M Engineering Experiment Station	X	X	X				X	X	X	X
713 – Tarleton State University	X	X	X	X			X	X	X	X
714 – University of Texas at Arlington	X	X	X				X	X	X	
715 – Prairie View A&M University	X	X	X			X	X		X	
716 – Texas A&M Engineering Extension Service	X	X						X	X	
717 – Texas Southern University	X	X	X	X			X	X	X	X
718 – Texas A&M University at Galveston	X	X	X				X	X		X
719 – Texas State Technical College	X	X	X	X			X	X	X	X
720 – University of Texas System Administration	X	X	X			X		X	X	

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

REPORTING ENTITIES BY AGENCY NUMBER	CONDUCTED INTERNAL TRAININGS	ATTENDED EXTERNAL TRAININGS	CERTIFICATIONS FOR PROCUREMENT PERSONNEL	INCREASED OR REORGANIZED PROCUREMENT PERSONNEL	DEDICATED MORE MONEY TO CONTRACT COMPLIANCE	HIRED CONSULTANTS	INCREASED MANAGEMENT INVOLVEMENT	COMMUNICATED WITH OVERSIGHT ENTITIES	STUDIED BEST PRACTICES FROM OTHER ORGANIZATIONS	REVISED CONTRACTING MANUAL AND PROCEDURES
721 – University of Texas at Austin	X	X	X	X	X	X	X	X	X	X
723 – University of Texas Medical Branch at Galveston	X	X	X				X		X	
724 – University of Texas at El Paso	X	X	X		X			X	X	X
727 – Texas A&M Transportation Institute	X	X	X				X	X	X	X
729 – University of Texas Southwestern Medical Center	X	X	X		X		X	X		X
730 – University of Houston	X	X	X	X	X	X	X	X	X	X
731 – Texas Woman's University	X		X	X			X			X
732 – Texas A&M University – Kingsville	X		X	X			X	X	X	X
733 – Texas Tech University	X	X	X	X	X		X		X	X
734 – Lamar University	X	X	X	X				X	X	X
735 – Midwestern State University	X	X	X				X	X	X	X
737 – Angelo State University	X	X	X	X			X		X	
738 – University of Texas at Dallas	X	X	X		X		X	X	X	X
739 – Texas Tech University Health Sciences Center	X	X	X	X					X	X
742 – University of Texas of the Permian Basin	X	X	X	X			X	X	X	
743 – University of Texas at San Antonio	X	X	X	X			X	X	X	X
744 – University of Texas Health Science Center at Houston	X	X	X	X	X	X	X	X	X	X
745 – University of Texas Health Science Center at San Antonio	X	X	X	X			X		X	X
746 – University of Texas Rio Grande Valley	X	X	X	X	X		X	X	X	X
749 – Texas A&M University – San Antonio	X	X	X	X	X		X		X	X
750 – University of Texas at Tyler	X	X	X	X	X	X	X	X	X	X

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

REPORTING ENTITIES BY AGENCY NUMBER	CONDUCTED INTERNAL TRAININGS	ATTENDED EXTERNAL TRAININGS	CERTIFICATIONS FOR PROCUREMENT PERSONNEL	INCREASED OR REORGANIZED PROCUREMENT PERSONNEL	DEDICATED MORE MONEY TO CONTRACT COMPLIANCE	HIRED CONSULTANTS	INCREASED MANAGEMENT INVOLVEMENT	COMMUNICATED WITH OVERSIGHT ENTITIES	STUDIED BEST PRACTICES FROM OTHER ORGANIZATIONS	REVISED CONTRACTING MANUAL AND PROCEDURES
751 – Texas A&M University – Commerce	X	X	X		X		X	X	X	X
752 – University of North Texas	X		X				X			X
753 – Sam Houston State University	X	X	X				X	X	X	X
754 – Texas State University	X	X	X				X	X	X	
755 – Stephen F. Austin State University	X	X	X				X	X	X	X
756 – Sul Ross State University			X					X	X	X
757 – West Texas A&M University	X	X	X	X	X		X	X	X	X
758 – Texas State University System	X	X	X					X	X	X
759 – University of Houston – Clear Lake	X	X	X				X	X	X	X
760 – Texas A&M University – Corpus Christi	X	X	X				X	X	X	X
761 – Texas A&M International University	X	X	X	X	X		X	X	X	
763 – University of North Texas Health Science Center at Fort Worth	X		X				X			X
764 – Texas A&M University – Texarkana	X	X	X				X		X	X
765 – University of Houston – Victoria	X	X		X			X	X	X	X
768 – Texas Tech University System	X	X	X	X	X		X		X	X
769 – University of North Texas System	X		X				X			X
770 – Texas A&M University – Central Texas	X	X	X					X	X	X
771 – Texas School for the Blind and Visually Impaired			X							
772 – Texas School for the Deaf	X	X	X				X	X		
773 – University of North Texas at Dallas	X		X				X			X
774 – Texas Tech University Health Sciences Center at El Paso	X	X	X	X			X	X	X	X

FISCAL YEAR 2024 CONTRACT MANAGEMENT AND OVERSIGHT UPDATE REPORT

Submitted by Legislative Budget Board Staff to meet the requirements of the Eighty-eighth Legislature, General Appropriations Act, 2024–25 Biennium, Article IX, Section 17.09(f)

REPORTING ENTITIES BY AGENCY NUMBER	CONDUCTED INTERNAL TRAININGS	ATTENDED EXTERNAL TRAININGS	CERTIFICATIONS FOR PROCUREMENT PERSONNEL	INCREASED OR REORGANIZED PROCUREMENT PERSONNEL	DEDICATED MORE MONEY TO CONTRACT COMPLIANCE	HIRED CONSULTANTS	INCREASED MANAGEMENT INVOLVEMENT	COMMUNICATED WITH OVERSIGHT ENTITIES	STUDIED BEST PRACTICES FROM OTHER ORGANIZATIONS	REVISED CONTRACTING MANUAL AND PROCEDURES
781 – Texas Higher Education Coordinating Board	X	X	X	X	X		X	X		X
783 – University of Houston System Administration	X	X	X	X	X	X	X	X	X	X
784 – University of Houston – Downtown	X	X								
785 – University of Texas Health Science Center at Tyler	X	X	X	X	X	X	X	X	X	X
787 – Lamar State College – Orange	X	X	X	X	X		X	X	X	X
788 – Lamar State College – Port Arthur	X	X	X	X	X		X	X	X	X
789 – Lamar Institute of Technology	X	X	X	X	X		X	X	X	X
802 – Texas Parks and Wildlife Department	X	X	X				X	X		
808 – Texas Historical Commission	X	X	X	X	X		X	X	X	X
809 – State Preservation Board		X	X	X			X		X	X
813 – Texas Commission on the Arts	X	X	X				X	X		X
985 – Tyler Junior College	X	X		X		X	X		X	X
Total	126	122	120	83	39	17	112	103	109	105

NOTE: (1) Respondent reported no actions conducted during fiscal year 2024.

SOURCE: Legislative Budget Board.