Attachment 1

Austin Independent School District
Statistical Disparity Study

2022

Colette Holt & Associates

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Disparity Study Legal Standards

- In 1989, US Supreme Court held race- and gender-conscious programs are subject to "strict scrutiny," the highest level of judicial review
- HUB programs must meet two tests
  - Agency must prove it has a "compelling interest" based on "strong" statistical and anecdotal evidence of current discrimination or the effects of past discrimination in using race or gender in decision-making
  - Any remedies must be "narrowly tailored" to the evidence relied upon and regularly reviewed

Disparity Study Overview

- Objectives
  - Meet federal constitutional legal requirements
  - Provide new data for contract goal setting
  - Develop recommendations
- Quantitative Data Sources
  - AISD contract and vendor records
  - Contract information from prime vendors
  - HUB/M/W/DBE Directories
  - Hoovers/Dun & Bradstreet

Disparity Study Elements

- Executive Summary
- Contract Data Analysis
  - Utilization, Availability and Disparity Analysis of AISD prime contracts and subcontracts
- Recommendations
- Qualitative Evidence from CHA's Texas Disparity Studies

Disparity Study Findings

- Study analyzed FY 2015-2019 contracts
  - Final Contract Data File
    - Analyzed 543 prime contracts
    - 921 associated subcontracts
    - $385,473,969 total value
- Geographic market
  - Travis, Williamson and Hays Counties
- Product market
  - 67 six-digit North American Industry Classification System (“NAICS”) codes in the Final Contract Data File

Disparity Study Findings

- Program has been effective in increasing opportunities for HUBs
  - HUB utilization is above availability
- Utilization in the Final Contract Data File
  - Black: 1.1%
  - Hispanic: 8.4%
  - Asian: 2.0%
  - Native Am.: 0.1%
  - White women: 18.1%
  - HUB: 29.6%
  - Non-HUB: 70.4%

Disparity Study Findings

- Weighted availability in the District's market
  - Black: 2.0%
  - Hispanic: 4.7%
  - Asian: 1.5%
  - Native Am.: 0.3%
  - White women: 7.8%
  - HUB: 16.4%
  - Non-HUB: 83.6%

Disparity Study Findings

- Disparity ratio = HUB utilization ÷ weighted availability
- HUBs: 181.3%***
  - Blacks: 54.3%‡ ***
  - Hispanics: 178.1%***
  - Asians: 130.6%***
  - Native Americans: 25.7%‡
  - White women: 141.1%***
- Non-HUBs: 97.4%***

***Statistically significant at 0.001 level

‡ Substantively significant (below 80%)

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Disparity Study Findings

- Contract dollars received by HUBs are generally more concentrated across a smaller number of HUBs and a smaller subset of codes than non-HUBs
- Of the five NAICS codes where AISD spent over 65% of its contract dollars:
  - Blacks, Hispanics, and Asians only get significant opportunities in one NAICS code
  - White women received small shares of the contracts in just two codes

Disparity Study Findings

- This suggests that although the District's HUB program has been quite successful in creating opportunities for minority and woman firms, these benefits have not been spread evenly across all groups or subindustries

Disparity Study Recommendations

- Use the Study to set narrowly tailored HUB contract goals
  - Use the B2Gnow goal setting module that has been designed specifically to integrate our study methodology and results
  - Develop written procedures spelling out the contract goal setting process
  - Reevaluate goals if significant change orders
  - Bid some contracts without goals to determine whether certified firms are solicited in the absence of goals

Disparity Study Recommendations

- Increase outreach to a broader range of relevant industries
  - HUB utilization is concentrated in fewer codes than non-HUBs
  - Target outreach to industries with low HUB participation
    - Conduct special vendor fairs
    - Work with industry groups to encourage bidding
    - Contact individual certified firms
- Develop performance measures for success
- Continue to conduct regular program reviews

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