

2024



MINORITY BUSINESS PARTICIPATION REPORT



AN AGENCY OF THE
STATE OF TEXAS

*For The Fiscal Year Ending
August 31, 2024*

Commissioners:
Robert G. Rivera,
Chairman
Cindy Fields
Mark A. Franz
Jamey Steen



TEXAS LOTTERY COMMISSION

April 29, 2025

The Honorable Greg Abbott
The Honorable Dan Patrick
The Honorable Dustin Burrows
Members of the 89th Legislature

Ladies and Gentlemen:

In accordance with Texas Government Code, §466.107 of the State Lottery Act, the Texas Lottery Commission is submitting its annual Minority Business Participation Report for fiscal year (FY) 2024.

During FY 2024, the agency achieved an overall participation of 10.72% in its minority/Historically Underutilized Business (HUB) contracting activity, which represented an increase from FY 2023's participation of 9.63%. In addition, the agency continued to surpass its 20% goal for minority retailers.

During FY 2025, the Texas Lottery will continue to implement initiatives designed to increase the minority/HUB participation in its business operations.

Should you have any questions regarding the report, please do not hesitate to contact our Acting Deputy Executive Director, Sergio Rey.

Sincerely,

A handwritten signature in black ink, appearing to be "R. Rivera".

Robert G. Rivera
Chairman

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MINORITY BUSINESS PARTICIPATION REPORT

FISCAL YEAR 2024

INTRODUCTION

The Texas Lottery Commission (TLC) has prepared its annual Minority Business Participation Report for FY 2024 in accordance with Section 466.107 of the State Lottery Act. This report documents the agency's level of minority business participation both in its lottery and bingo contracting activity, and in the licensing of lottery retailers. It also provides recommendations for the improvement of lottery-related minority business opportunities.

As defined by the State Lottery Act, a “minority business” is a “business entity at least 51% of which is owned by minority group members or, in the case of a corporation, at least 51% of the shares of which are owned by minority group members.” Minority group members include African Americans, American Indians, Asian Americans, Mexican Americans and other Americans of Hispanic origin. Throughout this report, the terms “minority-owned business” and “minority business” are used interchangeably.

The Texas Lottery Commission's HUB Program adopts by reference the rules administered by the Office of the Comptroller of Public Accounts regarding historically underutilized businesses, which are set forth in the Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter D, §§20.281 – 20.298. In addition to the minority group members noted above, the Comptroller's definition also includes businesses owned by women and service-disabled veterans.

Although it is not specifically addressed by the State Lottery Act, the TLC also has a strong commitment to including minorities in its business operations by maintaining a diverse workforce. Information about this area is included in Appendix D of the report (page 26).



BACKGROUND

TEXAS LOTTERY COMMISSION VISION

To be the preeminent Lottery and Charitable Bingo agency through innovative leadership.

TEXAS LOTTERY MISSION

The Texas Lottery is committed to generating revenue for the State of Texas through the responsible management and sale of entertaining lottery products. The Texas Lottery will incorporate the highest standard of security, integrity and responsible gaming principles, set and achieve challenging goals, provide quality customer service and utilize a TEAM approach.

CHARITABLE BINGO MISSION

Provide authorized organizations the opportunity to raise funds for their charitable purposes by conducting bingo. Determine that all charitable bingo funds are used for a lawful purpose. Promote and maintain the integrity of the charitable bingo industry throughout Texas.

CORE VALUES

The Texas Lottery Commission combines private business management principles with public service standards of conduct in all its operations. The following values guide us in our work:

- Integrity and Responsibility
- Innovation
- Fiscal Accountability
- Customer Responsiveness
- Teamwork
- Excellence

MINORITY/HUB COMMITMENT

The Texas Lottery Commission is committed to assisting and including minority-owned businesses and Historically Underutilized Businesses (HUBs) in its procurement opportunities. In accordance with the provisions of the State Lottery Act and the state's HUB rules, the agency and its contractors make a good faith effort to contract and subcontract with minority-owned businesses for the purchase of goods and services for the operation of the agency.

MINORITY/HUB PROGRAM

The TLC's Minority/HUB Program functions as part of the agency's Administration Division. The agency's HUB Coordinator is responsible for advising and assisting the TLC in complying with the requirements of the State Lottery Act and the state's HUB rules. The agency's Minority/HUB Program operates in three key areas to promote the inclusion and utilization of minority-owned businesses and HUBs: outreach activities, contract compliance and reporting.

OUTREACH ACTIVITIES

Outreach activities make up one of the most important components of the TLC's Minority/HUB Program. The purpose of these activities is to inform minority/HUB vendors about opportunities to provide goods and services to the agency and its contractors. Outreach is performed primarily by participating in business opportunity forums and other events throughout the state. The TLC HUB Coordinator may also assist in planning and cosponsoring statewide events in cooperation with other state agencies. In addition, the agency conducts an annual HUB Forum to inform minority/HUB vendors about TLC procurement processes and to provide networking opportunities. A chart listing the outreach events in which the agency participated during FY 2024 is available in Appendix C (page 25).

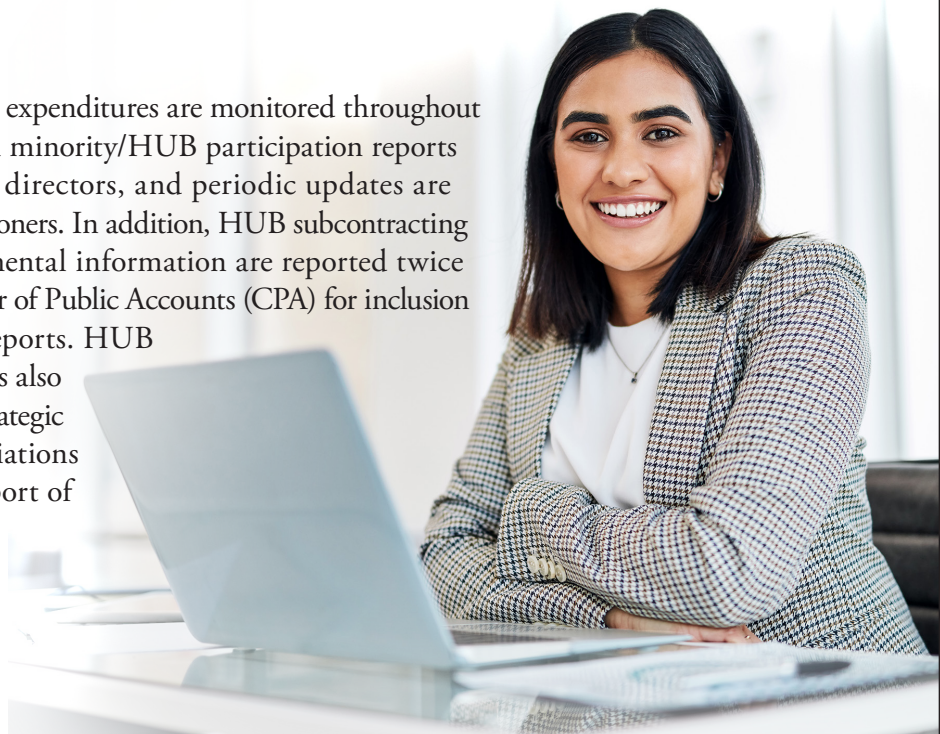
Other types of outreach activities include providing information to prospective vendors via the TLC website, coordinating meetings with individual minority/HUB vendors, administering the agency's Mentor-Protégé Program, and assisting eligible businesses with obtaining state HUB certification.

CONTRACT COMPLIANCE

The TLC's HUB Coordinator, Purchasing and Contracts staff, and administering divisions work collaboratively to maintain vendor compliance with contract terms relating to minority and HUB participation. The first step in this process involves assisting the agency with making HUB subcontracting determinations for contracts with an expected value of \$100,000 or more prior to releasing solicitations. The TLC's HUB coordinator participates at pre-bid and pre-proposal conferences to highlight the TLC's HUB policy and subcontracting plan requirements. The HUB Coordinator also assists evaluation teams by reviewing HUB Subcontracting Plans submitted with bids/proposals to determine whether good faith effort criteria were met. Finally, the agency's subcontracting plans are monitored for compliance following contract award.

REPORTING

The TLC's minority/HUB expenditures are monitored throughout the year. Monthly internal minority/HUB participation reports are distributed to agency directors, and periodic updates are provided to TLC commissioners. In addition, HUB subcontracting expenditures and supplemental information are reported twice annually to the Comptroller of Public Accounts (CPA) for inclusion in the Statewide HUB Reports. HUB participation information is also included in the agency's Strategic Plan, Legislative Appropriations Request, and Annual Report of Non-Financial Data.

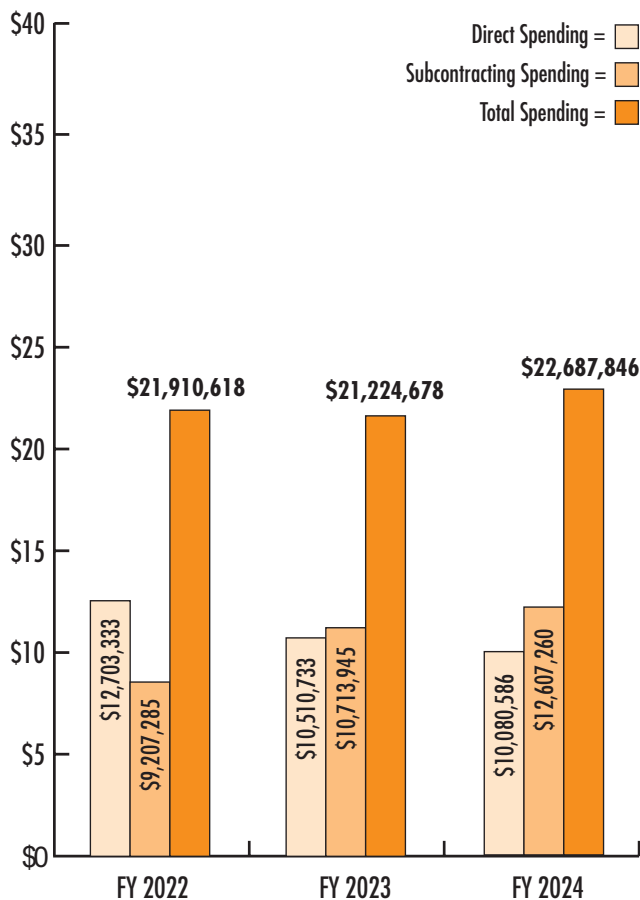


EXECUTIVE SUMMARY

During FY 2024, the TLC continued its efforts to provide opportunities for minority-owned businesses to participate in its procurement processes. Developing contacts with minority-owned businesses in Texas and licensing minority retailers are essential to the agency's initiatives.

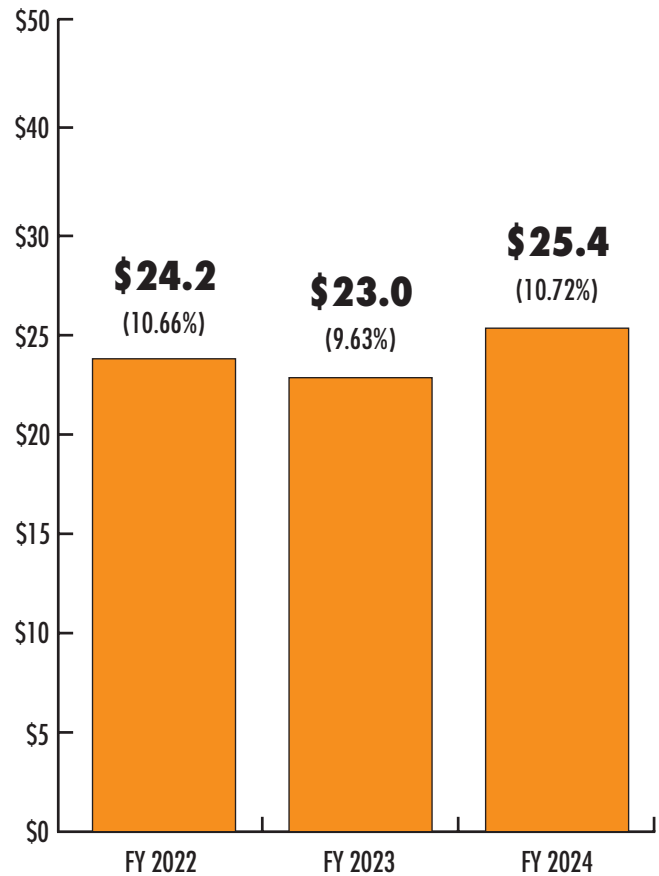
The TLC's overall expenditures, as captured by the CPA's *Fiscal Year 2024 Texas Historically Underutilized Business (HUB) Annual Report*, decreased from FY 2023 to FY 2024. During this reporting period, the Commission ranked 24th by overall expenditures among reporting agencies, compared with ranking 22nd during FY 2023.

**FIG. 2
MINORITY SPENDING***



*Amounts have been rounded to the nearest dollar.

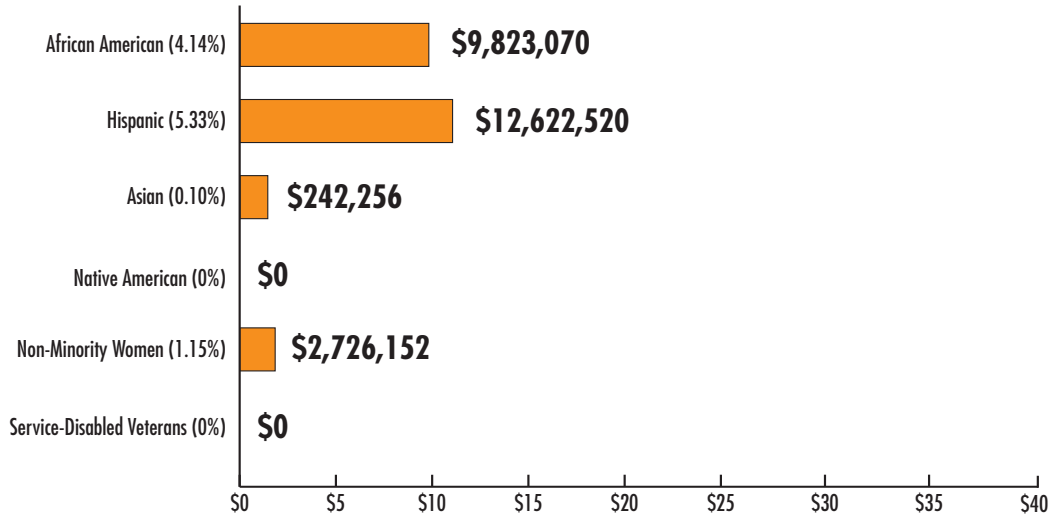
**FIG. 1
MINORITY/HUB SPENDING
(IN MILLIONS)**



During FY 2024, the TLC achieved an overall participation rate in its minority/HUB contracting activity of 10.72%. As shown in Figure 1, total expenditures paid to all minority/HUB vendors increased from the previous fiscal year. The TLC's overall minority/HUB percentage also increased.

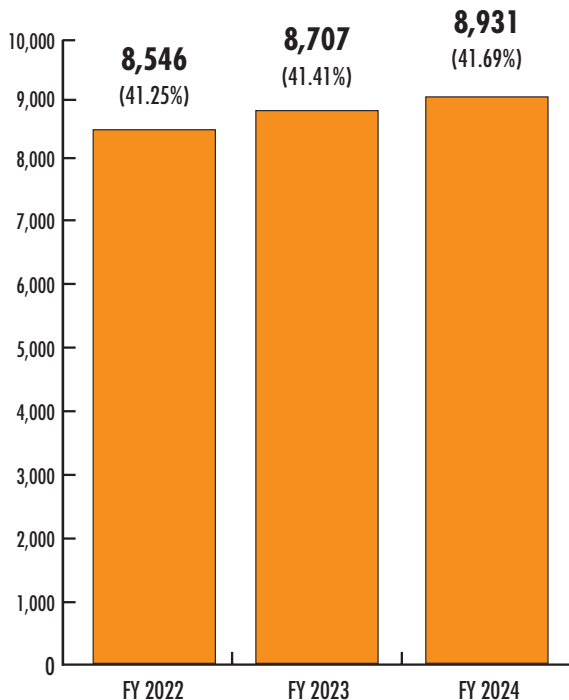
Figure 2 summarizes payments made to minority-owned businesses only (not including non-minority women or service-disabled veterans). During this reporting period, direct expenditures to minority-owned businesses decreased and subcontracting payments increased. Figure 3 shows the breakdown of FY 2024 minority/HUB spending by ethnic group.

**FIG. 3
MINORITY/HUB SPENDING BY ETHNICITY**

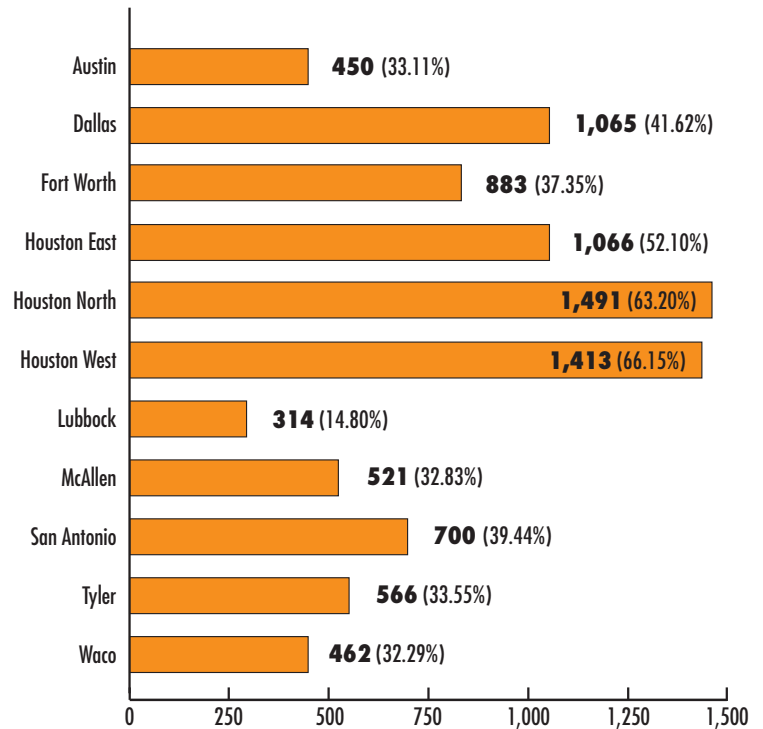


During FY 2024, the TLC continued to exceed the 20% goal for its minority retailer base which is set out in Texas Government Code Section 466.151. Minority retailers now number 8,931, representing 41.69% of the agency's total Texas Lottery retailer base (see Figures 4 and 5). More detailed information on minority retailers by county is located in Appendix B (page 18). In addition, the TLC has maintained a minority retailer percentage of more than 40% for 18 consecutive years.

**FIG. 4
NUMBER OF
MINORITY RETAILERS**



**FIG. 5
MINORITY RETAILERS
BY DISTRICT**



KEY CONTRACTORS

The Commission's key contractors during FY 2024 for contracts estimated to be \$100,000 or more* included the following:

ALLIANT INSURANCE SERVICES, INC. – Retailer Bonus Payment Management Services

BARKER & HERBERT ANALYTICAL LABORATORIES, INC. – Lottery Products Testing Services

BEEHIVE SPECIALTY CO.** – Promotional Products

BERRY DUNN MCNEIL & PARKER, LLC – Security Study Services

BUCHANAN TECHNOLOGIES, INC. (FKA TECHNOLOGY SPA LLC) – Website Hosting Services

DK PARTNERS PC – Lottery Drawings CPA Services

ELEPHANT PRODUCTIONS, INC. – Drawing Studio and Production Services

ELSYM CONSULTING, INC. – Internal Control System and Related Services

EUBANK AND YOUNG STATISTICAL CONSULTING – Statistical Consulting Services

GTS TECHNOLOGY SOLUTIONS** – Lease of Desktops, Laptops and Related Services

GUIDEHOUSE, INC. – Risk Review and Compliance Monitoring Services

IGT GLOBAL SOLUTIONS CORPORATION DBA IGT SOLUTIONS (FKA GTECH CORPORATION®) – Lottery Operations and Services

IGT GLOBAL SOLUTIONS CORPORATION DBA IGT SOLUTIONS (FKA GTECH PRINTING CORPORATION) – Instant Ticket Manufacturing and Services

IGT GLOBAL SOLUTIONS CORPORATION DBA IGT SOLUTIONS CORPORATION – Scratch Ticket Manufacturing and Services

JACKSON WALKER LLP – Outside Counsel Intellectual Property Legal Services

JOHNSON CONTROLS SECURITY SOLUTIONS LLC – Security Management System and Monitoring Services

LATINWORKS MARKETING, LLC DBA THIRD EAR** – Advertising Services

MCCONNELL AND JONES, LLP** – Internal Audit Services

NETSYNC NETWORK SOLUTIONS – Hyper Converged Infrastructure with Server Lease

POLLARD BANKNOTE, LTD. – Instant Ticket Manufacturing and Services

POLLARD BANKNOTE, LTD. – Scratch Ticket Manufacturing and Services

R.E.C. INDUSTRIES INC. – HVAC System

RFD & ASSOCIATES, INC.** – IT Staffing Augmentation Services

SCIENTIFIC GAMES, LLC – Instant Ticket Manufacturing and Services

SCIENTIFIC GAMES, LLC – Scratch Ticket Manufacturing and Services

SHI GOVERNMENT SOLUTIONS** – Lease of Servers

SIERRA GROUP LLC – Promotional Products

SMARTPLAY INTERNATIONAL, INC. – Texas Two Step Drawing Machines and Ball Sets

SMITH PROTECTIVE SERVICES, INC. – Security Officer Services

SOFTWARE ONE, INC. – Microsoft Software Enterprise Agreement

WEAVER AND TIDWELL, LLP – Annual Financial Audit Services

XEROX BUSINESS SOLUTIONS SOUTHWEST (FKA DAHILL) – Document Management Services

*List does not include interagency contracts, property leases or licensed property contracts.

**HUB certified contractors

FISCAL YEAR 2024 HIGHLIGHTS

- The Texas Lottery Commission's minority/HUB expenditures in FY 2024 totaled more than \$25.4 million.
- For FY 2024, the TLC ranked 24th among the largest spending agencies in terms of overall expenditures as captured by the *CPA's Fiscal Year 2024 Texas Historically Underutilized Business (HUB) Annual Report*. Of the top 24, the TLC ranked 15th by overall HUB percentage (see Table C, page 12).
- In FY 2024, the agency paid certified HUBs approximately \$100,307.48 for goods and services in expenditure categories not included in the CPA's HUB Report.
- Five of the TLC's key contractors increased subcontracting payments to minority/HUB businesses.
- Six HUB companies provided key contract services to the agency during FY 2024 (see page 6).
- The TLC awarded \$18,239 in bid opportunities at the "Doing Business Texas Style Spot Bid Fair" held in conjunction with ACCESS 2024 in Irving, Texas.
- The TLC continued to assist vendors with the HUB subcontracting plan (HSP) process by offering one-on-one HSP workshops and reviews of draft HSPs. These efforts resulted in greater numbers of compliant HSPs and increased competition.
- The TLC participated in three (3) economic opportunity forums and HUB-related outreach events statewide.
- The TLC participated in HUB Discussion Workgroup meetings that were held during the fiscal year.
- The TLC maintained a minority retailer percentage of more than 40% for the 18th consecutive year. This represents a lottery retailer participation of more than twice the established goal.



FISCAL YEAR 2024 MINORITY/HUB EXPENDITURE SUMMARY

TABLE A

I. DIRECT MINORITY/HUB EXPENDITURES

MINORITY/HUB GROUP	DIRECT EXPENDITURES	% OF TOTAL	TOTAL EXPENDITURES
AFRICAN AMERICAN	\$124,005	0.05%	
HISPANIC AMERICAN	\$9,726,305	4.10%	
ASIAN AMERICAN	\$230,276	0.10%	
NATIVE AMERICAN	0	0.00%	
AMERICAN WOMEN	\$1,917,664	0.81%	
SERVICE DISABLED VETERANS	\$0	0.00%	
TOTAL	\$11,998,248	5.06%	\$237,038,184

II. MINORITY/HUB SUBCONTRACTING EXPENDITURES

MINORITY/HUB GROUP	SUBCONTRACTING EXPENDITURES	% OF TOTAL	TOTAL NON-MINORITY/ NON-HUB EXPENDITURES
AFRICAN AMERICAN	\$9,699,065	4.35%	
HISPANIC AMERICAN	\$2,896,215	1.30%	
ASIAN AMERICAN	\$11,980	0.01%	
NATIVE AMERICAN	\$0	0.00%	
AMERICAN WOMEN	\$808,488	0.36%	
SERVICE DISABLED VETERANS	\$0	0.00%	
TOTAL	\$13,415,748	6.02%	\$225,039,935

III. GRAND TOTAL OF MINORITY/HUB EXPENDITURES

MINORITY/HUB GROUP	MINORITY/HUB EXPENDITURES	% OF TOTAL	TOTAL EXPENDITURES
AFRICAN AMERICAN	\$9,823,070	4.14%	
HISPANIC AMERICAN	\$12,622,520	5.33%	
ASIAN AMERICAN	\$242,256	0.10%	
NATIVE AMERICAN	0	0.00%	
AMERICAN WOMEN	\$2,726,152	1.15%	
SERVICE DISABLED VETERANS	\$0	0.00%	
TOTAL	\$25,413,997	10.72%	\$237,038,184

NOTE: Fiscal Year expenditures were based on the reportable expenditure object codes utilized by the Comptroller of Public Accounts (CPA) for the State of Texas HUB Report. Totals may not sum exactly to CPA report due to rounding.

FISCAL YEAR 2024 ACCOMPLISHMENTS

The Texas Lottery Commission promotes fair and competitive opportunities for minority/HUB vendors interested in doing business with the agency and its key contractors. The TLC conducted an effective program during FY 2024 to inform and educate minority businesses/HUBs about opportunities to provide supplies, equipment, and services for the operation of the agency and to serve as licensed lottery retailers. The following sections detail some of the TLC's achievements in FY 2024.

INCLUSION IN PROCUREMENTS

The TLC's procurement-related initiatives included:

- Participating in forums and other outreach events to inform minority/HUB vendors about the TLC's contracting and subcontracting opportunities.
- Determining the probability of subcontracting and identifying potential minority/HUB subcontracting opportunities for contracts with an expected value of \$100,000 or more.
- Providing vendor support by offering one-on-one HUB subcontracting plan (HSP) workshops and reviews of draft HSPs.
- Evaluating good-faith-effort compliance with HSP requirements as part of the bid/proposal process.
- Conducting post-contract award follow-up with awarded vendors to discuss HSP requirements; monitoring contracts to ensure compliance.
- Providing procurement opportunities at HUB Forums and other outreach events.
- Hosting meetings with interested vendors to assist them in becoming familiar with the TLC's procurement processes.
- Assisting eligible vendors to become certified as HUBs.



FISCAL YEAR 2024 ACCOMPLISHMENTS

Bids/Proposals Received and Contracts Awarded:

During FY 2024, the TLC received 26 competitive bids and proposals from HUB vendors, which represented 66.67% of all responses. Overall, the agency awarded 118 total contracts to HUB vendors, 42 of which were awarded to minority-owned business. These included contracts resulting from noncompetitive “spot purchases,” informal and formal quotes, bids, offers, and proposals received from HUB vendors.

OUTREACH ACTIVITIES

Outreach Materials: The TLC provided information to minority businesses and HUBs that were interested in doing business with the agency. This included information regarding the agency’s procurements, and contacts for both agency staff and key TLC contractors.

Website: Information about the TLC’s HUB Program is available via the agency’s website (www.texaslottery.com), which also provides links to Statewide HUB Program information.

Forums: In accordance with legislative mandates, the TLC participated in conferences, forums and events to provide information regarding the agency’s procurement opportunities. As part of the TLC’s outreach program, staff attended Economic Opportunity Forums (EOFs) sponsored by state agencies and/or other governmental entities. These included forums presented by the Statewide Procurement Division (SPD) of the Comptroller of Public Accounts (CPA). A summary of the agency’s outreach efforts is provided in Appendix C (page 25) of this report.

The TLC conducted its Annual HUB Forum on June 4, 2024, in Austin. The forum drew minority-and woman-owned companies from throughout the state. Texas Lottery Commission presenters provided an overview of the agency’s procurement opportunities and processes, as well as other information to assist HUBs. Roundtable networking sessions provided attendees with the opportunity to meet face-to-face with agency management/staff and representatives from some of the TLC’s largest contractors. Vendors who attend the TLC forum consistently provide positive feedback regarding the meeting format and the opportunity to directly network with agency staff and contractors.

Subcontracting Opportunities: In FY 2024, the TLC continued to identify subcontracting opportunities for minority/HUB vendors and to monitor HUB Subcontracting Plan requirements.

MENTOR-PROTÉGÉ PROGRAM

In accordance with Texas Government Code, Section 2161.065, all state agencies with biennial budgets of more than \$10 million are required to have a Mentor-Protégé Program. The purpose of the Mentor-Protégé Program is to foster long-term relationships between prime contractors and HUBs. The ultimate goal of the program is to provide developmental assistance to HUBs that will potentially increase their ability to contract directly with the state and/or to obtain subcontract opportunities under a state contract. All relationships among mentors, protégés and the program sponsor are voluntary, and participation in the agency’s Mentor-Protégé Program is neither a guarantee for a contract opportunity nor a promise of business.

FISCAL YEAR 2024 ACCOMPLISHMENTS

The Mentor-Protégé Program is an ongoing initiative, and the TLC will continue its efforts to form additional relationships during FY 2025.

HUB DISCUSSION WORKGROUP

The TLC participates in the HUB Discussion Workgroup, an established group of HUB Coordinators from state agencies and institutions of higher education who meet on a regular basis. The workgroup shares program practices and ideas, supports outreach events, and provides input to the CPA on methods for improving the state's HUB Program.

CONTRACTOR SUPPORT

Contractors are encouraged to include minority businesses and HUBs when purchasing goods and/or services related to the fulfillment of their contracts with the TLC. When the TLC determines that subcontracting is probable for contracts with an expected value of \$100,000 or more, respondents shall submit a completed HUB Subcontracting Plan demonstrating evidence of good faith effort in developing the plan. The state's Centralized Master Bidders List and HUB Directory are key resources for identifying potential HUB subcontractors. Many of the TLC's largest contractors also participated in TLC's FY 2024 Annual HUB Forum, providing information and networking opportunities to HUBs. Through these efforts, the agency's key contractors who utilized minority and/or HUB subcontractors achieved the following results in FY 2024:

TABLE B

CONTRACTOR NAME	MINORITY/HUB SUBCONTRACTING EXPENDITURES*
IGT GLOBAL SOLUTIONS CORPORATION DBA IGT SOLUTIONS CORPORATION (FKA GTECH CORP.)	\$7,889,740
LATINWORKS MARKETING, LLC DBA THIRD EAR	\$4,712,165
POLLARD BANKNOTE, LTD.	\$3,144,246
SCIENTIFIC GAMES, LLC	\$2,016,554
IGT GLOBAL SOLUTIONS CORPORATION DBA IGT SOLUTIONS CORPORATION (FKA GTECH PRINTING CORPORATION)	\$300,929
ELEPHANT PRODUCTIONS, INC.	\$61,956
SIERRA GROUP LLC	\$2,324

*Amounts have been rounded to the nearest dollar.

FISCAL YEAR 2024 ACCOMPLISHMENTS

RANK AMONG LARGEST-SPENDING AGENCIES

The Texas Lottery Commission ranked 24th in terms of overall expenditures captured by the CPA's *Fiscal Year 2024 Annual Historically Underutilized Business (HUB) Report*. Of the largest-spending agencies, the TLC ranked 15th by overall HUB percentage (see Table C).

TABLE C
ANNUAL FISCAL YEAR 2024 HUB REPORT
TWENTY-FOUR LARGEST-SPENDING AGENCIES RANKED BY OVERALL HUB PERCENTAGE

RANK	AGENCY NAME	TOTAL EXPENDITURES	TOTAL HUB EXPENDITURES	HUB % OF EXPENDITURES
1	THE TEXAS A&M UNIVERSITY SYSTEM	\$557,342,715	\$183,368,822	32.90%
2	TEXAS A & M UNIVERSITY (MAIN UNIV)	\$547,856,310	\$133,611,084	24.39%
3	TEXAS TECH UNIVERSITY	\$259,034,212	\$60,265,346	23.27%
4	TEXAS DEPT OF CRIMINAL JUSTICE	\$384,703,542	\$82,551,184	21.46%
5	DEPARTMENT OF PUBLIC SAFETY	\$253,183,640	\$53,759,681	21.23%
6	UNIVERSITY OF TEXAS SYSTEM	\$389,080,307	\$76,325,912	19.62%
7	TEXAS STATE UNIVERSITY	\$270,691,195	\$50,758,296	18.75%
8	UNIVERSITY OF HOUSTON	\$421,055,485	\$72,800,882	17.29%
9	UNIVERSITY OF TEXAS AT AUSTIN	\$861,914,986	\$143,255,687	16.62%
10	UT HEALTH SCIENCE CENTER-SAN ANTONIO	\$603,519,318	\$96,744,250	16.03%
11	TEXAS FACILITIES COMMISSION	\$989,481,446	\$155,024,983	15.67%
12	UT HEALTH SCIENCE CENTER - HOUSTON	\$419,391,029	\$57,965,308	13.82%
13	HEALTH & HUMAN SERVICES COMMISSION	\$1,631,630,681	\$206,402,369	12.65%
14	GENERAL LAND OFFICE	\$699,462,565	\$79,152,860	11.32%
15	TEXAS LOTTERY COMMISSION	\$237,038,184	\$25,413,997	10.72%
16	DEPARTMENT OF STATE HEALTH SERVICES	\$303,856,251	\$31,916,230	10.50%
17	TEXAS DEPARTMENT OF TRANSPORTATION	\$14,463,068,770	\$1,251,464,526	8.65%
18	UT SOUTHWESTERN MEDICAL CENTER	\$1,974,421,803	\$155,747,238	7.89%
19	UNIVERSITY OF TEXAS MEDICAL BRANCH	\$856,290,431	\$62,707,363	7.32%
20	TEXAS DIVISION OF EMERGENCY MANAGEME	\$257,877,908	\$17,198,274	6.67%
21	TEXAS MILITARY DEPARTMENT	\$562,352,537	\$37,438,406	6.66%
22	TEXAS STATE TECHNICAL COLLEGE	\$1,046,793,228	\$69,159,385	6.61%
23	UT MD ANDERSON CANCER CENTER	\$2,916,827,667	\$169,521,706	5.81%
24	TEXAS EDUCATION AGENCY	\$367,679,227	\$19,777,383	5.38%

Note: The largest-spending agencies are determined by total expenditures made for object codes which are reportable in the CPA's *Fiscal Year 2024 Annual Historically Underutilized Business (HUB) Report*. The state does not have an overall HUB goal, but utilizes six procurement category goals, in accordance with the State Disparity Study. These figures are unaudited and have been rounded to the nearest dollar.

MINORITY RETAILERS

The Texas Lottery Commission's minority retailer base consistently exceeds its statutory goal of 20%. In FY 2024, the agency's minority retailers numbered 8,931, which represented 41.69% of the Texas Lottery's total retailer base (see Figure 4 and Appendix B). The agency has maintained a minority retailer percentage of more than 40% for the past 18 years.

FISCAL YEAR 2025 RECOMMENDED INITIATIVES AND IMPROVEMENTS

- Enhance the Commission’s Mentor-Protégé Program and develop new mentor-protégé relationships.
- Work with TLC technical staff to improve internal HUB reporting capabilities.
- Attend additional outreach events including at least one that is focused on service-disabled veterans.
- Continue providing bid opportunities at Spot Bid Events including the “Doing Business Texas Style” Spot Bid Fair.
- Include TLC Purchasing staff in additional HUB outreach events.
- Maintain active participation in the HUB Discussion Workgroup.
- Conduct TLC Annual HUB Forum.



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DEFINITIONS

MINORITY BUSINESS: As defined in Texas Government Code §466.107 (b), “Minority Business” means a business entity at least 51% of which is owned by minority group members or, in the case of a corporation, at least 51% of the shares of which are owned by minority group members, and that:

- 1) is managed and, in daily operations, is controlled by minority group members; and
- 2) is a domestic business entity with a home or branch office located in this state and is not a branch or subsidiary of a foreign corporation, firm or other business entity.

“MINORITY GROUP MEMBERS” include African Americans, American Indians, Asian Americans, and Mexican Americans and other Americans of Hispanic origin.

HISTORICALLY UNDERUTILIZED BUSINESS (HUB): As defined in Texas Government Code, §2161.001 subdivisions (2) and (3), “historically underutilized business” means an entity with its principal place of business in the state of Texas that is:

- 1) a corporation formed for the purpose of making a profit in which 51% or more of all classes of the shares of stock or other equitable securities are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the corporation’s control, operation, and management;
- 2) a sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person;
- 3) a partnership formed for the purpose of making a profit in which 51% or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership’s control, operation and management;
- 4) a joint venture in which each entity in the venture is a historically underutilized business, as determined under another paragraph of this subdivision; or
- 5) a supplier contract between a historically underutilized business as determined under another paragraph of this subdivision and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods.

“ECONOMICALLY DISADVANTAGED” PERSON means a person who is economically disadvantaged because of the person’s identification as a member of a certain group, including Black Americans, Hispanic Americans, women, Asian Pacific Americans, Native Americans, and veterans as defined by 38 U.S.C. Section 101(2) who have suffered at least a 20% service-connected disability as defined by 38 U.S.C. Section 101(16), and who has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control.

DEFINITIONS

COMMISSION: As defined in Texas Government Code, §466.002(1), “Commission” means the Texas Lottery Commission.

HUB SUBCONTRACTING PLAN: As defined by Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter D, Division 1, Rule §20.282, a HUB subcontracting plan is “written documentation regarding the use of subcontractors, which is required to be submitted with all responses to state agency contracts with an expected value of \$100,000 or more where subcontracting opportunities have been determined by the state agency to be probable. The HUB subcontracting plan subsequently becomes a provision of the awarded contract and shall be monitored for compliance by the state agency during the term of the contract.”

LOTTERY: As defined in Texas Government Code, §466.002(5), “lottery” means the procedures operated by the state under this chapter through which prizes are awarded or distributed by chance among persons who have paid, or unconditionally agreed to pay, for a chance or other opportunity to receive a prize.

SALES AGENT OR SALES AGENCY: As defined in Texas Government Code, §466.002(9), “sales agent” or “sales agency” means a person licensed under this chapter to sell tickets. Throughout this report, sales agents are referred to as “retailers.”

SUBCONTRACTOR: As defined in Texas Government Code, §2251.001, “subcontractor” means a person who contracts with a vendor to work or contribute toward completing work for a governmental entity.

LOTTERY OPERATOR: As defined in Texas Government Code, §466.002(7), “lottery operator” means a person selected under §466.014(b) to operate a lottery.

VENDOR: As defined in Texas Government Code, §2251.001, “vendor” means a person who supplies goods or a service to a governmental entity or another person directed by the entity.



APPENDIX B

MINORITY RETAILERS BY COUNTY

COUNTY	TOTAL RETAILERS	MINORITY RETAILERS	PERCENTAGE
ANDERSON	48	8	17%
ANDREWS	14	1	7%
ANGELINA	85	35	41%
ARANSAS	27	12	44%
ARCHER	12	0	0%
ARMSTRONG	4	0	0%
ATASCOSA	51	22	43%
AUSTIN	41	27	66%
BAILEY	8	1	13%
BANDERA	20	4	20%
BASTROP	94	39	41%
BAYLOR	6	0	0%
BEE	24	9	38%
BELL	272	108	40%
BEXAR	1,133	517	46%
BLANCO	16	5	31%
BORDEN	0	0	0%
BOSQUE	33	9	27%
BOWIE	88	20	23%
BRAZORIA	283	164	58%
BRAZOS	137	78	57%
BREWSTER	11	1	9%
BRISCOE	3	0	0%
BROOKS	7	1	14%
BROWN	42	11	26%
BURLESON	27	10	37%
BURNET	44	16	36%
CALDWELL	44	19	43%
CALHOUN	26	10	38%
CALLAHAN	19	5	26%
CAMERON	238	53	22%
CAMP	14	4	29%
CARSON	6	0	0%
CASS	33	6	18%
CASTRO	8	1	13%
CHAMBERS	65	29	45%
CHEROKEE	44	14	32%
CHILDRESS	9	0	0%
CLAY	9	3	33%

APPENDIX B

MINORITY RETAILERS BY COUNTY

COUNTY	TOTAL RETAILERS	MINORITY RETAILERS	PERCENTAGE
COCHRAN	3	0	0%
COKE	4	0	0%
COLEMAN	13	1	8%
COLLIN	430	146	34%
COLLINGSWORTH	3	0	0%
COLORADO	37	18	49%
COMAL	103	21	20%
COMANCHE	16	4	25%
CONCHO	5	0	0%
COOKE	49	13	27%
CORYELL	48	14	29%
COTTLE	2	0	0%
CRANE	7	1	14%
CROCKETT	7	1	14%
CROSBY	7	0	0%
CULBERSON	10	1	10%
DALLAM	12	0	0%
DALLAS	1,876	892	48%
DAWSON	10	1	10%
DE WITT	17	4	24%
DEAF SMITH	15	1	7%
DELTA	7	5	71%
DENTON	394	151	38%
DICKENS	4	0	0%
DIMMIT	16	6	38%
DONLEY	7	3	43%
DUVAL	17	7	41%
EASTLAND	31	6	19%
ECTOR	140	26	19%
EDWARDS	2	0	0%
EL PASO	420	89	21%
ELLIS	133	34	26%
ERATH	37	12	32%
FALLS	18	6	33%
FANNIN	35	7	20%
FAYETTE	30	14	47%
FISHER	3	0	0%
FLOYD	8	1	13%
FOARD	2	0	0%

APPENDIX B

MINORITY RETAILERS BY COUNTY

COUNTY	TOTAL RETAILERS	MINORITY RETAILERS	PERCENTAGE
FORT BEND	406	231	57%
FRANKLIN	11	1	9%
FREESTONE	27	7	26%
FRIO	21	7	33%
GAINES	16	0	0%
GALVESTON	333	199	60%
GARZA	5	0	0%
GILLESPIE	17	3	18%
GLASSCOCK	1	1	100%
GOLIAD	5	1	20%
GONZALES	23	8	35%
GRAY	23	4	17%
GRAYSON	139	36	26%
GREGG	160	56	35%
GRIMES	34	17	50%
GUADALUPE	93	31	33%
HALE	28	2	7%
HALL	6	0	0%
HAMILTON	12	0	0%
HANSFORD	5	1	20%
HARDEMAN	6	0	0%
HARDIN	67	15	22%
HARRIS	3,886	2,661	68%
HARRISON	57	23	40%
HARTLEY	0	0	0%
HASKELL	7	0	0%
HAYS	150	51	34%
HEMPHILL	4	0	0%
HENDERSON	78	28	36%
HIDALGO	489	160	33%
HILL	55	12	22%
HOCKLEY	20	1	5%
HOOD	60	13	22%
HOPKINS	37	6	16%
HOUSTON	25	9	36%
HOWARD	36	5	14%
HUDSPETH	5	4	80%
HUNT	93	32	34%
HUTCHINSON	25	6	24%

APPENDIX B

MINORITY RETAILERS BY COUNTY

COUNTY	TOTAL RETAILERS	MINORITY RETAILERS	PERCENTAGE
IRION	3	1	33%
JACK	11	2	18%
JACKSON	21	8	38%
JASPER	51	4	8%
JEFF DAVIS	1	0	0%
JEFFERSON	327	86	26%
JIM HOGG	8	4	50%
JIM WELLS	40	18	45%
JOHNSON	135	35	26%
JONES	18	3	17%
KARNES	18	6	33%
KAUFMAN	128	38	30%
KENDALL	30	8	27%
KENEDY	0	0	0%
KENT	0	0	0%
KERR	42	0	0%
KIMBLE	15	2	13%
KING	0	0	0%
KINNEY	4	0	0%
KLEBERG	28	12	43%
KNOX	6	0	0%
LA SALLE	14	4	29%
LAMAR	50	13	26%
LAMB	14	3	21%
LAMPASAS	17	5	29%
LAVACA	25	8	32%
LEE	22	7	32%
LEON	29	11	38%
LIBERTY	133	75	56%
LIMESTONE	30	13	43%
LIPSCOMB	3	0	0%
LIVE OAK	16	2	13%
LLANO	26	4	15%
LOVING	1	0	0%
LUBBOCK	219	53	24%
LYNN	5	0	0%
MADISON	16	6	38%
MARION	8	2	25%
MARTIN	3	0	0%

MINORITY RETAILERS BY COUNTY

COUNTY	TOTAL RETAILERS	MINORITY RETAILERS	PERCENTAGE
MASON	6	1	17%
MATAGORDA	53	27	51%
MAVERICK	36	9	25%
MCCULLOCH	11	2	18%
MCLENNAN	237	90	38%
MCMULLEN	3	2	67%
MEDINA	43	14	33%
MENARD	3	0	0%
MIDLAND	114	6	5%
MILAM	33	9	27%
MILLS	6	1	17%
MITCHELL	10	0	0%
MONTAGUE	24	4	17%
MONTGOMERY	438	232	53%
MOORE	24	6	25%
MORRIS	19	7	37%
MOTLEY	4	1	25%
NACOGDOCHES	66	34	52%
NAVARRO	57	20	35%
NEWTON	13	4	31%
NOLAN	23	4	17%
NUECES	245	70	29%
OCHILTREE	8	1	13%
OLDHAM	4	1	25%
ORANGE	111	19	17%
PALO PINTO	51	12	24%
PANOLA	25	5	20%
PARKER	97	25	26%
PARMER	9	1	11%
PECOS	26	3	12%
POLK	59	24	41%
POTTER	99	23	23%
PRESIDIO	10	2	20%
RAINS	16	4	25%
RANDALL	87	3	3%
REAGAN	5	0	0%
REAL	5	1	20%
RED RIVER	15	10	67%
REEVES	25	0	0%

MINORITY RETAILERS BY COUNTY

COUNTY	TOTAL RETAILERS	MINORITY RETAILERS	PERCENTAGE
REFUGIO	12	4	33%
ROBERTS	2	0	0%
ROBERTSON	29	11	38%
ROCKWALL	42	11	26%
RUNNELS	17	1	6%
RUSK	36	13	36%
SABINE	13	2	15%
SAN AUGUSTINE	14	5	36%
SAN JACINTO	21	12	57%
SAN PATRICIO	73	25	34%
SAN SABA	8	2	25%
SCHLEICHER	4	0	0%
SCURRY	16	0	0%
SHACKELFORD	6	2	33%
SHELBY	33	11	33%
SHERMAN	4	0	0%
SMITH	189	94	50%
SOMERVELL	15	4	27%
STARR	53	26	49%
STEPHENS	16	5	31%
STERLING	2	0	0%
STONEWALL	3	0	0%
SUTTON	11	0	0%
SWISHER	5	0	0%
TARRANT	1,406	537	38%
TAYLOR	118	8	7%
TERRELL	1	0	0%
TERRY	10	0	0%
THROCKMORTON	3	0	0%
TITUS	33	5	15%
TOM GREEN	84	7	8%
TRAVIS	687	237	34%
TRINITY	20	7	35%
TYLER	25	2	8%
UPSHUR	34	11	32%
UPTON	7	1	14%
UVALDE	33	4	12%
VAL VERDE	28	5	18%
VAN ZANDT	58	18	31%

APPENDIX B

MINORITY RETAILERS BY COUNTY

COUNTY	TOTAL RETAILERS	MINORITY RETAILERS	PERCENTAGE
VICTORIA	84	26	31%
WALKER	66	34	52%
WALLER	44	25	57%
WARD	22	1	5%
WASHINGTON	38	14	37%
WEBB	141	59	42%
WHARTON	52	28	54%
WHEELER	10	0	0%
WICHITA	129	48	37%
WILBARGER	13	4	31%
WILLACY	11	4	36%
WILLIAMSON	309	92	30%
WILSON	36	10	28%
WINKLER	11	0	0%
WISE	60	18	30%
WOOD	41	14	34%
YOAKUM	11	0	0%
YOUNG	21	2	10%
ZAPATA	18	9	50%
ZAVALA	11	5	45%
TOTAL	21,424	8,931	41.69%

APPENDIX C

FISCAL YEAR 2024 HUB, MINORITY AND SMALL BUSINESS OUTREACH EVENTS

I. STATE ECONOMIC OPPORTUNITY FORUMS	LOCATION
DMV 2024 MARKETING FOR SUCCESS HUB VENDOR FAIR	AUSTIN
TDLR FIRST ANNUAL BREAKING BOUNDARIES HUB EXPO	AUSTIN
"DOING BUSINESS TEXAS STYLE" AT ACCESS 2024	IRVING
II. TEXAS LOTTERY COMMISSION FORUM	
TEXAS LOTTERY COMMISSION ANNUAL HUB FORUM	AUSTIN
III. VENDOR FAIRS, CONFERENCES & PROCUREMENT EVENTS	
THE AGENCY DID NOT ATTEND AN EVENT UNDER THIS CATEGORY.	

APPENDIX D

The Commission strives to ensure that its employee population reflects the ethnic and gender composition of the state of Texas. A workforce comprising of **56.64%** women and **52.88%** minorities is the result of our competitive approach to equal opportunity practices (see table below).

The Commission takes great pride in its workforce demographics. Efforts to maintain and enhance them are apparent in the open and fair availability of employment opportunities to all members of the public, as well as to Commission employees. Commission employees are expected to treat others with respect, regardless of individual differences. This recognition of the value of employee uniqueness is an important factor in the Commission's overall effectiveness.

Practices that aid the Commission in being an equal opportunity employer include:

- Encouraging a Team Approach
- Emphasizing employment recruiting and retention
- Submitting EEO Statewide Reports
- Defining management roles and responsibilities
- Providing Equal Employment Opportunity (EEO) training to employees

TEXAS LOTTERY COMMISSION WORKFORCE

**TEXAS LOTTERY EMPLOYEES BY ETHNICITY
FISCAL YEAR 2024**

ETHNICITY	NUMBER OF EMPLOYEES	% OF AGENCY EMPLOYEES
AFRICAN AMERICAN	32.00	10.62%
HISPANIC AMERICAN	100.00	33.19%
ASIAN AMERICAN	15.00	4.98%
AMERICAN INDIAN OR ALASKAN NATIVE	5.00	1.66%
TWO OR MORE	7.33	2.43%
TOTAL MINORITIES	159.33	52.88%
CAUCASIAN	142.00	47.12%
TOTAL EMPLOYEES	301.33	100%

**TEXAS LOTTERY EMPLOYEES BY GENDER
FISCAL YEAR 2024**

ETHNICITY	NUMBER OF MALES	% OF AGENCY EMPLOYEES
AFRICAN AMERICAN	8.00	2.65%
HISPANIC AMERICAN	42.33	14.05%
ASIAN AMERICAN	5.0	1.66%
AMERICAN INDIAN OR ALASKAN NATIVE	3.00	1.0%
TWO OR MORE	4.33	1.43%
CAUCASIAN	68.00	22.57%
TOTAL MALES	130.66	43.36%
ETHNICITY	NUMBER OF FEMALES	% OF AGENCY EMPLOYEES
AFRICAN AMERICAN	24.00	7.96%
HISPANIC AMERICAN	57.67	19.14%
ASIAN AMERICAN	10.00	3.32%
AMERICAN INDIAN OR ALASKAN NATIVE	2.00	0.66%
TWO OR MORE	3.00	1.00%
CAUCASIAN	74.00	24.56%
TOTAL FEMALES	170.67	56.64%
TOTAL EMPLOYEES	301.33	100%



2024

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AN AGENCY OF THE
STATE OF TEXAS