



U.S. Small Business
Administration

**Report to Congress on
Historically Underutilized
Business Zone (HUBZone)
Performance Metrics
for Fiscal Year 2022**

April 13, 2023

Introduction

The Small Business Act (the Act), in Section 31(e), 15 U.S. C. § 657a(e), requires the Small Business Administration (SBA) to collect data on performance metrics that are designed to measure the success of the Historically Underutilized Business Zone (HUBZone) program in meeting the program's objective of promoting economic development in economically distressed areas, and to submit an annual report on those performance metrics to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate. On December 14, 2020, SBA published an Information Notice announcing these performance metrics.¹ These performance metrics include²:

1. Number of HUBZone firms decertified due to the results of a program examination performed in connection with their annual recertification;
2. Number of HUBZone firms decertified due to the results of a program examination performed in connection with their annual recertification that failed to submit documentation after being proposed for decertification;
3. Number of HUBZone-related outreach events presented by SBA District Offices;
4. Number of HUBZone-related outreach events presented by SBA Headquarters and number of attendees of such events;
5. Number of HUBZone certification applications received;
6. Number of new HUBZone certifications;
7. Number of HUBZone-certified firms at the end of the fiscal year;
8. Number of HUBZone firms that were awarded Federal contracts;

¹ SBA Information Notice 6000-20010, "HUBZone Annual Report Metrics."

² Section 31(e)(3) of the Small Business Act, 15 U.S.C. § 657a(e)(3), requires that this annual report include Performance Metrics 1-3. The remainder of the performance metrics were developed by SBA and included in Information Notice 6000-20010.

9. Dollar amount of Federal contracts awarded to HUBZone firms; and
10. Dollars awarded to HUBZone firms through HUBZone sole source and set-aside contracts or orders.

Discussion of Performance Metrics

Program Examinations (Performance Metrics 1 & 2)

In FY 2022, SBA continued implementation of the new HUBZone program requirement that all HUBZone-certified firms recertify annually and undergo a program examination at least every three years to ensure continued program eligibility. Through the program examination process, SBA officials verify the accuracy of any certification made or information provided by the small business concern as part of their annual recertification. In FY 2022, 851 firms did not recertify.

Where the firm is not eligible based on its response or lack thereof, SBA will send a written notice of proposed decertification. The firm has 30 days to submit documentation supporting its eligibility. If the firm submits sufficient documentation to support its eligibility, it will receive written notice that it will maintain its certified HUBZone status in the SBA's Dynamic Small Business Search (DSBS) database. If the firm fails to respond within the required timeframe or the documentation submitted is not sufficient to support its eligibility, it will be decertified and its certified HUBZone status will be removed in DSBS.

In FY 2022, SBA performed 1,301 program examinations. Of those, 249 resulted in decertification because the firm chose to voluntarily withdraw (79) from the HUBZone program or SBA determined that the firm was not eligible and decertified the firm (170). Of the 249 decertified firms, 184 were decertified because they did not submit documentation after being proposed for decertification.

Outreach Events (Performance Metrics 3 & 4)

SBA has 68 District Offices across the country, organized into ten Regions. SBA District Offices are responsible for overseeing the delivery of SBA’s programs throughout their territories and for providing small businesses with tools to enhance and grow their businesses. One way District Offices provide those tools and assist with the delivery of SBA’s programs is through outreach events, including in-person trainings and webinars often hosted in collaboration with SBA resource partners. In FY 2022, SBA District Offices held or participated in 313 outreach events related to the HUBZone program. Table 1 provides the number of outreach events by SBA District Offices, broken out by SBA Region.

Table 1: HUBZone Outreach Events SBA District Offices	
SBA Region	Number of Events
Region 1 (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	6
Region 2 (New York, New Jersey, Puerto Rico)	43
Region 3 (Maryland, Delaware, Pennsylvania, Virginia, West Virginia, Washington, D.C.)	45
Region 4 (Alabama, Georgia, Kentucky, Mississippi, North Carolina, Florida, South Carolina, Tennessee)	55
Region 5 (Ohio, Illinois, Indiana, Michigan, Minnesota, Wisconsin)	33
Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)	61
Region 7 (Iowa, Kansas, Nebraska, Missouri)	12
Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)	8
Region 9 (Arizona, California, Guam, Hawaii, Nevada)	35
Region 10 (Alaska, Idaho, Oregon, Washington)	15
Total	313

In FY 2022, SBA Headquarters staff, through the Office of the HUBZone Program, participated in 37 outreach events, with a total of 5,608 attendees. Table 2 shows the number of HUBZone-related outreach events that included SBA Headquarters staff as a presenter and the cumulative number of participants, broken out by audience type (i.e., small businesses, resources

partner counselors, contracting officers).

Table 2: HUBZone Outreach Events SBA Headquarters		
Audience	Number of Events	Number of Participants
Small Businesses	17	2,937
Resource Partners (i.e., PTACs, SBDCs)	10	453
Contracting Officers	11	2,218
Total	38	5,608

HUBZone Certifications (Performance Metrics 5-7)

In FY 2022, the HUBZone program received 1,534 applications from businesses seeking HUBZone certification. This count represents the total number of applications submitted through SBA’s HUBZone Certification Tracking System (HCTS) between October 1, 2021, and September 30, 2022. In FY 2022, 806 applicants obtained HUBZone certification. This count represents the total number of applications that the Office of the HUBZone program approved between October 1, 2021, and September 30, 2022. At the end of FY 2022, there were 4,634 certified HUBZone small business concerns. This count represents the total number of firms with HUBZone-certified status in HCTS as of October 1, 2022.

Table 3: HUBZone Certifications	
Action	Firms
New Applications Received	1,534
New Certifications	806
Total HUBZone firms at End of Year (EOY) FY 2022	4,634

Federal Contract Awards to HUBZone Firms (Performance Metrics 8-10)

In FY 2021, government-wide achievement in prime contracting to certified HUBZone small businesses continued an upward trajectory, increasing from 2.44% in FY 2020 to 2.53% in FY 2021.

HUBZone firms received over \$14.3 billion in prime contracts in FY 2021, representing an increase of \$700 million dollars from the prior year. Table 3 presents the performance metrics related to Federal contract awards to HUBZone firms.

Table 4: Fiscal Year 2021 Federal Contract Awards to HUBZone Firms	
Category	Vendors/Dollars
Number of HUBZone Vendors Receiving Contracts	2,849
Total Obligations to HUBZone Vendors	\$14.3 billion
Obligations Through HUBZone Sole-Source	\$68,317,795
Obligations Through HUBZone Set-Asides	\$2,516,690,416

Conclusion

FY 2022 was another productive year for the HUBZone program, as new certification, annual recertification, and program examination processes were implemented and existing processes were enhanced to increase the program's ability to meet its objective of promoting economic development in economically distressed areas.

Moving forward, the HUBZone program is furthering its efforts to improve the customer experience, to ensure that HUBZone certification and continuing eligibility requirements are met, and to increase utilization of HUBZone contracts and firms by federal agencies. SBA continues to collect and monitor data related to the established performance metrics and looks forward to including comparative data in the FY23 HUBZone Annual Report to Congress.