



U.S. Small Business  
Administration

**Report to Congress on  
Historically Underutilized  
Business Zone (HUBZone)  
Performance Metrics  
for Fiscal Year 2023**

**May 17, 2024**

## 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.<sup>1</sup> These performance metrics include<sup>2</sup>:

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;

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<sup>1</sup> SBA Information Notice 6000-20010, "HUBZone Annual Report Metrics."

<sup>2</sup> 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.

7. Number of HUBZone-certified firms at the end of the fiscal year;
8. Number of HUBZone firms that were awarded Federal contracts;
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)**

All HUBZone-certified firms are required to 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.

Where the firm is not eligible based on its response or failure to respond, 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 2023, 941 firms did not recertify as required. SBA performed 997 program examinations. Of those, 295 resulted in decertification. Of the 295 decertified firms, 215 were decertified because they failed to 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 2023, SBA District Offices held or participated in 338 outreach events related to the HUBZone program. Table 1 provides the number of outreach events by SBA District Offices, broken out by SBA Region.

<b>Table 1: HUBZone Outreach Events SBA District Offices</b>	
<b>SBA Region</b>	<b>Number of Events</b>
Region 1 (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	14
Region 2 (New York, New Jersey, Puerto Rico)	18
Region 3 (Maryland, Delaware, Pennsylvania, Virginia, West Virginia, Washington, D.C.)	42
Region 4 (Alabama, Georgia, Kentucky, Mississippi, North Carolina, Florida, South Carolina, Tennessee)	56
Region 5 (Ohio, Illinois, Indiana, Michigan, Minnesota, Wisconsin)	39
Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)	43
Region 7 (Iowa, Kansas, Nebraska, Missouri)	22
Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)	25
Region 9 (Arizona, California, Guam, Hawaii, Nevada)	56
Region 10 (Alaska, Idaho, Oregon, Washington)	23
<b>Total</b>	<b>338</b>

In FY 2023, SBA Headquarters staff, through the Office of the HUBZone Program, participated in 50 outreach events, with a total of 5,504 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).

<b>Table 2: HUBZone Outreach Events SBA Headquarters</b>		
<b>Audience</b>	<b>Number of Events</b>	<b>Number of Participants</b>
Small Businesses	17	1,321
Resource Partners (i.e., Apex Accelerators, SBDCs)	17	842
Contracting Officers	16	3,341
<b>Total</b>	<b>50</b>	<b>5,504</b>

### **HUBZone Certifications (Performance Metrics 5-7)**

In FY 2023, the HUBZone program received 1,649 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, 2022, and September 30, 2023. In FY 2023, 677 applicants obtained HUBZone certification; 241 applications were withdrawn by SBA because the applicant failed to submit required supporting documentation; 592 applicants withdrew their application; and 10 applicants were declined. At the end of FY 2023, there were 4,395 certified HUBZone small business concerns. This count represents the total number of firms with HUBZone-certified status in HCTS as of October 1, 2023. 100% of HUBZone applications were processed in fewer than 60 days.

<b>Table 3: HUBZone Certifications</b>	
<b>Action</b>	<b>Firms</b>
New Applications Received	1,649
New Certifications	677
Total HUBZone firms at End of Year (EOY) FY 2023	4,395

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

In FY 2023, government-wide achievement in prime contracting to certified HUBZone small businesses continued an upward trajectory, increasing from 2.53% in FY 2021 to 2.65% in FY 2022. HUBZone firms received a record \$16.3 billion in prime contracts in FY 2022, representing an increase of \$2 billion dollars awarded to certified HUBZone firms, which supported an estimated 71,800 jobs in underserved communities across the country. Federal contracts awarded to HUBZone firms via HUBZone specific contracting mechanisms (Sole Source, Set-Aside or the Price Evaluation Preference) also reached a record \$3.4 billion, representing 21% of all contracts awarded to HUBZone certified firms. Table 3 presents the performance metrics related to Federal contract awards to HUBZone firms.

<b>Table 4: Fiscal Year 2022 Federal Contract Awards to HUBZone Firms</b>	
<b>Category</b>	<b>Vendors/Dollars</b>
Number of HUBZone Vendors Receiving Contracts	2,790
Total Obligations to HUBZone Vendors	\$16.3 billion
Obligations Through HUBZone Sole-Source	\$66,559,553
Obligations Through HUBZone Set-Asides	\$2,749,792,600
Obligations Through HUBZone Price Evaluation Preference	\$600,988,612

## **Conclusion**

FY 2023 was another productive year for the HUBZone program. The HUBZone program successfully updated the HUBZone map on July 1, 2023 within established timelines to accurately reflect the results of the 2020 Census and ensure only eligible firms are participating in the program. A comprehensive outreach campaign, which included the publication of a preview map six months

prior to the map change, FAQs, fact sheets, a press release, social media, eblasts, updated website, and toolkit for the SBA Office of Field Operations, ensured firms had ample notification and support through this major milestone.

In FY23, the HUBZone program approved petitions from the Governors of fourteen states and added 260 rural Governor-designated HUBZones to the HUBZone map. Altogether, the SBA Administrator has approved a total of 480 rural Governor-Designated HUBZones through petitions from Governors in the following 23 states: Colorado, Connecticut, Delaware, Idaho, Illinois, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, New Mexico, New York, North Carolina, Oklahoma, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Moving forward, the HUBZone program will continue to focus on strengthening the customer experience, ensuring that HUBZone certification and continuing eligibility requirements are met, increasing utilization of HUBZone contracts and firms by federal agencies, and expanding the footprint in rural areas through Governor-Designated Areas.