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*Executive Summary*

**Recommendations for Establishing a 3-Year FHWA and  
FTA DBE Goal for Minnesota Department of  
Transportation (MnDOT) FY2019-2021**

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*The results in this report are preliminary and subject to change*

## EXECUTIVE SUMMARY

This report provides proposed DBE goal and race neutral participation for the Minnesota Department of Transportation (MnDOT) for fiscal years 2019-2021 on Federal Highway and Federal Transportation Administration funded expenditures. To satisfy the requirements set forth in the USDOT regulations, availability rates of willing, able and qualified firms must be computed for well-defined geographic market areas. This report was constructed based on the best available information received from MnDOT as well as the government-published secondary data.

The analysis undertaken suggests a proposed agency-wide DBE goal of **12.23** percent for 2019-2021 on FHWA-funded projects.

**Table 1. Summary of Main Results: FHWA Proposed DBE Goals 2016-2018 vs 2019-2021**

|                          | <b>Base Goal</b> | <b>Adjustment to Base Goal</b> | <b>Adjusted Base Goal</b> | <b>Race-Neutral Goal [Race Neutral Percent]</b> | <b>Race-Conscious Goal [Race-Conscious Percent]</b> |
|--------------------------|------------------|--------------------------------|---------------------------|---|---|
| <b>Triennial Report:</b> |                  |                                |                           |   |   |
| <b>2016-2018</b>         | 8.03%            | 45.7%                          | <b>11.7%</b>              | 4.5%<br>[38.2%]                                 | 7.2%<br>[61.8%]                                     |
|                          |                  |                                |                           |   |   |
| <b>2019-2021</b>         | 9.40%            | 30.13%                         | <b>12.23%</b>             | 3.81<br>[31.17%]                                | 8.42%<br>[68.83%]                                   |

The analysis undertaken suggests a proposed agency-wide DBE goal of **9.12** percent for 2019-2021 on FTA-funded projects

**Table 2. Summary of Main Results: FTA Proposed DBE Goals 2016-2018 vs 2019-2021**

|                          | <b>Base Goal</b> | <b>Adjustment to Base Goal</b> | <b>Adjusted Base Goal</b> | <b>Race-Neutral Goal [Race Neutral Percent]</b> | <b>Race-Conscious Goal [Race-Conscious Percent]</b> |
|--------------------------|------------------|--------------------------------|---------------------------|---|---|
| <b>Triennial Report:</b> |                  |                                |                           |   |   |
| <b>2016-2018</b>         | 5.54%            | 28.79%                         | <b>7.13%</b>              | 2.57%<br>[36.07%]                               | 4.56%<br>[63.93%]                                   |
| <b>2019-2021</b>         | 6.54%            | 39.52% <sup>1</sup>            | <b>9.12%</b>              | 6.69%<br>[73.68%]                               | 2.43%<br>[26.32%]                                   |

<sup>1</sup> The dummy variable method of the base goal adjustment is not significant due to the small sample size. In total, we are able to identify 160 FTA contracts (prime and sub) and 5 DBE contracts from the year 2012-2017. The small sample size due to the absence of DBEs awarded contracts in the past six years justifies the reasons to make the base goal adjustment. The confidence interval for the coefficient on DBE is (-2.631994, 1.626137).