



Technical Report:

**Methodology for Computing Proposed FHWA DBE Goals Minnesota
Department of Transportation (MnDOT) FY2022-2024**

Submitted to:

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08/02/2021

Executive Summary

This report provides proposed DBE goal and race neutral participation for the Minnesota Department of Transportation (MnDOT) for fiscal years 2022-2024 on Federal Highway Administration funded expenditures. The report was constructed based on the best available information received from MnDOT as well as the government-published secondary data¹ such as the Zip Codes Business Patterns from the US Census Bureau. The analysis undertaken suggests a proposed agency-wide DBE goal of 12.59 percent for 2022-2024 on FHWA-funded projects.

This goal was derived in the following manner:

- A base goal of 11.27 percent was computed.
- An adjustment to the base goal was made to account for disparities in prime and subcontract awards that cannot be attributed to differences in industry, location, firm size, credit risk, or other characteristics of DBE versus non-DBE contracts. The adjustment was to increase the base goal by 11.76 percent, resulting in the adjusted goal of 12.59 percent ($= 11.27 \times 1.176$).
- The maximum portion of the adjusted goal deemed to be achievable by race-neutral means was found to be equal to 27.55 percent. Therefore, the race neutral goal was computed to be equal to 3.47 percent ($= 12.59 \times 0.347$) and the race-conscious goal was computed to be equal to 9.12 percent ($= 12.59 \times (1 - 0.347) = 12.59 \times 0.653$).

Table 1 provides the detailed breakdowns:

Table 1. Proposed MnDOT FHWA DBE Goals FY2022-2024

<i>Base Goal</i>	11.27%
Discrimination Gap for Adjustment	11.76%
<i>Adjusted Goal</i>	12.59%
Race-Neutral Portion	27.55%
<i>Race-Neutral Goal</i>	3.47%
Race-Conscious Portion	72.45%
<i>Race-Conscious Goal</i>	9.12%

¹ The research team used County Business Patterns, Zip Codes Business Patterns and D&B Hoovers' in the analysis.