

OVERALL DISADVANTAGED BUSINESS ENTERPRISE GOAL-SETTING METHODOLOGY REPORT FFY 2026-2028

The Illinois Department of Transportation (IDOT) submits its Disadvantaged Business Enterprise (DBE) Overall Goal Setting Methodology Report to the United States Department of Transportation Federal Aviation Administration (FAA) for review and approval. This report has been prepared in compliance with 49 CFR § 26.45, the United States Department of Transportation's (USDOT's) "Tips for Goal Setting," and other official USDOT guidance.

The regulations require that the overall goal be prepared using a two-step process. According to the *USDOT Tips for Goal Setting*¹ approved by the General Counsel of the USDOT, the recipient must first determine a base figure for the relative availability of certified and non-certified minority and woman-owned business enterprises in the relevant market area, hereafter collectively referred to as DBEs. Next, the recipient must examine all relevant evidence to determine what adjustment to the base figure, if any, is needed to arrive at an overall goal. The final adjusted figure is the recipient's overall goal and represents the proportion of federal transportation funding the recipient is expected to allocate to DBEs during the subsequent three federal fiscal years (FFY). Once the adjusted overall goal is determined, the process requires considering what portion of the goal will be met by race- and gender-neutral measures.

If a recipient purports that it can meet its overall goal with race- and gender-neutral measures, those measures must be utilized. In contrast, if the recipient determines it cannot achieve the entire overall goal using only race- and gender-neutral measures, it must establish a race- and gender-conscious portion of the overall goal.²

Based on the requirements set forth in 49 CFR Part 26 and official USDOT guidance, the Illinois Department of Transportation is submitting a goal for FFY 2026-2028. The recommended overall DBE goal for this period is **20.2 percent**. **IDOT expects to meet 17.9 percent of this goal through race-conscious means and 2.3 percent through race-neutral means.**

¹ United States Department of Transportation, "Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program," <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

² 49 CFR Part 26, §26.51(f)(1), §26.51(d)

OVERALL GOAL-SETTING METHODOLOGY

STEP ONE: DETERMINING A BASE FIGURE – 49 CFR PART 26.45 (c)

Under the regulations, IDOT began the goal-setting process by determining a base figure for relative availability of DBEs. The base figure is intended to be a measurement of the current ready, willing, and able DBEs as a percentage of all ready, willing, and able businesses to perform the recipient's anticipated FAA-assisted contracts.³

Several options are available for establishing a base figure for relative availability of DBEs. The options utilized in this methodology include:

- **DBE Directories and Census Data Method** – DBE directories of Illinois USDOT recipients are consolidated into the Illinois **Unified Certification Program** (IL UCP) database. The IL UCP is a “one-stop” certification process for DBEs and includes five local USDOT-funded agencies, including IDOT, City of Chicago, Chicago Transit Authority, Metra, and Pace. Using the IL UCP database to determine DBE availability is limited to USDOT-certified businesses; however, USDOT Tips requires including businesses that are not certified, but are potential DBEs, to determine availability. The website for the **United States Bureau of the Census** (census.gov) was also a resource for data collection as pertaining to the North American Industry Classification System (NAICS) code of Illinois businesses.⁴
- **Alternative Method(s)** – Alternative methods may be used to determine a base figure for the overall goal. Any methodology used to determine a base figure must be based on demonstrable evidence of the local market conditions and be designed to ultimately attain a goal that is related to the relative availability of DBEs and potential DBEs in the recipient's market area. The alternative method provides the most flexibility, but it is also subject to a higher level of scrutiny. Aside from the IL UCP database and Bureau of the Census website mentioned earlier, the other databases and sources used to obtain information needed for these determinations included:
 - IDOT's **Integrated Disadvantaged Business Enterprises** database (IDBE) which lists the awarded amounts, final amounts, goal amounts, contractors utilized, and their corresponding NAICS codes on construction contracts.
 - A **contract data overview** as part of a disparity study draft was provided by Colette Holt & Associates (CHA) in 2024. CHA was retained by IDOT to perform a disparity study of its contracts by the FAA and other operating authorities. This study will examine contracts for FFY 2017-2021.

³ United States Department of Transportation, “Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program.”

⁴ The Census Bureau's County Business Pattern (CBP) data are derived from business federal income tax filings and, therefore, cannot address businesses' willingness to do business with IDOT. Additionally, the CBP does not have the functionality to filter Caucasian male-owned businesses that work exclusively in the private sector, or those not interested in contracting with IDOT. Essentially, the CBP over-counts Caucasian males and the IL UCP under-counts DBEs, thus this method understates the relative availability of DBEs.

A. Base Figure Calculation

The initial phase of the Step One analysis required the compilation of critical data regarding IDOT's contracting. The relevant data considered for the Step One analysis included the following:

- * Definition of the market area from an analysis of contracts awarded November 17, 2023 to November 8, 2024.
- * Classification of procurement areas by NAICS code.

1. IDOT's Relevant Market Area

The relevant market area was determined to specify the geographical area for seeking available businesses. A cluster analysis by business location and award amount was prepared using data from the prime contracts awarded during IDOT lettings from November 17, 2023 to November 8, 2024. As set forth in 49 CFR Part 26, to be certified as a DBE, a business must be a for-profit entity that is at least 51 percent owned by one or more individuals who are socially and economically disadvantaged. Therefore, all procurement with non-profits and other government agencies were excluded from the analysis. The analysis revealed that 93.2 percent of the contract dollars were awarded in the State of Illinois, indicating that Illinois should be considered the relevant geographic market area. Table 1 presents the market area findings.

Table 1: Location of Contracts Awarded during the Study Period

BUSINESS LOCATION	TOTAL CONTRACTS	PERCENT OF DOLLARS
State of Illinois	41	93.2%
Outside of Illinois	3	6.8%
TOTAL	44	100.0%

Of the 44 contracts awarded during this period, 41 were awarded to Illinois contractors and 3 were awarded to contractors in Davenport, Iowa.

2. Classification of Procurement Areas by NAICS Codes

All contracts awarded during the study period were classified using a combination of sources. The primary source was a description of the contracts awarded during IDOT lettings from **November 17, 2023 to April 25, 2025**. The balance was classified by Internet research. Table 2 below presents the NAICS codes and industries that were represented in these contracts.

Table 2: 2023-2025 Contracts - NAICS Titles and Industries Represented

NAICS CODE	INDUSTRY	NAICS TITLE
237110	Construction	Water and Sewer Line and Related Structures Construction
237130		Power / Communication Line and Related Structures Construction
237310		Highway, Street, and Bridge Construction
237990		Other Heavy and Civil Engineering Construction
238110		Poured Concrete Foundation and Structure Contractors
238210		Electrical Contractors
238910		Site Preparation Contractors
238990		All Other Specialty Trade Contractors
541330	Architecture and Engineering	Engineering Services
541370		Surveying and Mapping (except Geophysical) Services
541380		Testing Laboratories
561730		Landscaping Services
561990		All Other Support Services

B. Base Figure Determination

The base figure is intended to be a measurement of the relative percentage of ready, willing, and able businesses that are DBEs. The recipient is required to measure willing and able businesses in its marketplace, using the best available evidence, to derive a fair and accurate base figure that represents the percentage of available DBEs. According to Section 26.45(c) and *USDOT Tips*, the overall goal must be based on demonstrable evidence of available ready, willing, and able DBEs relative to all ready, willing, and able non-DBEs to participate on IDOT's federally assisted contracts.

Several sources were used to identify businesses in the market area that provide construction and architecture and engineering services that IDOT procures. Sources included government listings and databases, certification lists, and listings of firms by NAICS category who received Paycheck Protection Program (PPP) loans.

1. Relative Base Figure

USDOT Tips requires the calculation of the relative base figure by dividing the number of market area DBEs by all market area businesses (DBEs and non-DBEs), which produces a relative base figure of **6.29 percent**, as shown in Table 3. This number is simply the percentage of DBEs in the market area. The relative base figure calculation essentially over counts the number of available DBEs as it assumes that every DBE has equal weight and equal opportunity to perform IDOT contracts. However, in the practical application of the overall DBE goal, not all DBEs have equal opportunity for participation as opportunity is dependent on the spent amount in each NAICS code. To accurately reflect the nature and scope of work, *USDOT Tips* recommends the following formula to calculate availability:

Relative Base Figure = $\frac{\text{Ready, willing, and able DBEs}}{\text{All ready, willing, and able businesses (Including DBEs and non-DBEs)}}$

Relative Base Figure of **6.29%** = $\frac{945 \text{ DBEs}}{15,014 \text{ Total Businesses}}$

Table 3: Relative Base Figure

NAICS CODE	NUMBER OF AVAILABLE BUSINESSES		PERCENT OF AVAILABLE BUSINESSES		
	DBEs	All	DBEs	Non-DBEs	All
237110	9	307	0.06%	1.98%	2.04%
237130	5	227	0.03%	1.48%	1.51%
237310	261	359	1.74%	0.65%	2.39%
237990	30	180	0.20%	1.00%	1.20%
238110	44	803	0.29%	5.06%	5.35%
238210	110	2689	0.73%	17.18%	17.91%
238910	97	1100	0.65%	6.68%	7.33%
238990	23	1620	0.15%	10.64%	10.79%
541330	231	1752	1.54%	10.13%	11.67%
541370	19	164	0.13%	0.96%	1.09%
541380	20	292	0.13%	1.81%	1.94%
561730	60	5034	0.40%	33.13%	33.53%
561990	36	487	0.24%	3.00%	3.24%
TOTAL	945	15,014	6.29%	93.71%	100.00%

2. Weighted Base Figure

IDOT believes that this relative base figure calculation over-counts the number of available businesses as it assumes that every business has an equal opportunity and equal weight to perform IDOT contracts. However, in the practical application, not all DBEs have equal opportunity for participation as opportunity is dependent on the amount of dollars spent in each NAICS code. Therefore, to accurately reflect the relative availability of DBE firms, as recommended by the USDOT, IDOT performed a weighted calculation of availability.

Before a weighted calculation was undertaken, IDOT examined the awarded contract amounts per NAICS code, with the results listed in Table 4 below:

Table 4: Awarded Contract Amounts Per NAICS Code

NAICS CODE	NUMBER OF AVAILABLE BUSINESSES		AWARDED CONTRACT AMOUNT
	DBEs	All	
CONSTRUCTION NAICS			
237110	9	307	\$261,992
237130	5	227	\$227,710
237310	261	359	\$3,412,017
237990	30	180	\$1,334,082
238110	44	803	\$698,909
238210	110	2689	\$89,190
238910 / 238990	120	2720	\$485,387
TOTAL CONST.	579	7285	\$6,509,287
ARCHITECTURE AND ENGINEERING NAICS			
541330 / 541370	250	1916	\$53,430
541380	20	292	\$7,500
561730	60	5034	\$659,184
561990	36	487	\$160,059
TOTAL A&E	366	7729	\$880,173
TOTAL	945	15,014	\$7,389,460

When the awarded contract amounts are taken into consideration, 88.09% of contract dollars were awarded to firms representing the Construction NAICS Codes, and 11.91% were awarded to firms in the Architecture & Engineering NAICS Codes. This strongly suggests the need for a weighted base figure. According to *USDOT Tips*, “weighting can help ensure that your Step One Base Figure is as accurate as possible. While weighting is not required by the rule, it will make your goal calculation more accurate.” Thus, the new formula becomes:

[.88 (Construction DBEs / All Construction Firms) + .12 (Architecture and Engineering DBEs / All Architecture and Engineering Firms)] x 100 = Step One Base Figure, weighted by type of work to be performed.

$$[.88 (579/7285) + .12 (366/7729)] \times 100 =$$

$$[.88 (.0795) + .12 (.0474)] \times 100 = [.07 + .0057] \times 100 = \mathbf{7.57}$$

Thus, the weighted base figure is **7.57%**.

STEP TWO: BASE FIGURE ADJUSTMENT – 49 CFR PART 26.45 (d)

A. DBE Past Participation

The Step Two base figure adjustment, as recommended in *USDOT Tips*, requires examining relevant and reliable data in the recipient’s market area to determine if an adjustment to the base figure is warranted. The consideration of an adjustment is intended to account for any impact the relevant factors may have on DBEs’ contracting opportunities with IDOT.

Among the many factors suggested in *USDOT Tips* for considering the base figure adjustment, the factor of “Past DBE Participation” validates a modest adjustment to the weighted base figure. “Tips for Goal Setting” suggests that agencies should examine data on past DBE participation in their USDOT-funded contracts in recent years. USDOT further suggests that agencies should choose the median level of annual DBE participation for those years as the measure of past participation.

Table 5 represents past DBE participation based on IDOT’s Uniform Reports of DBE Awards or Commitments and Payments as reported to FAA. According to these Uniform Reports, median DBE participation in FAA-funded contracts from federal fiscal years 2022 through 2024 was **12.7 percent**.

Table 5: Past Certified DBE Participation in FAA-Funded Contracts, FFY 2022-2024

FEDERAL FISCAL YEAR	DBE ATTAINMENT	ANNUAL DBE GOAL	DIFFERENCE
2022	9.5%	20.2%	- 10.7%
2023	14.8%	20.2%	- 5.8%
2024	12.7%	20.2%	- 7.5%

The difference between the Step One weighted base figure of 7.57% and the median past DBE participation (12.7%) suggests that an adjustment of the Step One figure is warranted.

While it is not appropriate to adjust the measurements of relative DBE availability solely due to the size of IDOT’s expanding contracting program, if the type of work IDOT expects to contract changes dramatically, this does impact the goal regardless of the level of funding IDOT expects to receive.⁵

In 2021, the Infrastructure Investment and Jobs Act (IIJA) was enacted into law. This initiative, covering federal fiscal years 2022-2026, has earmarked nearly \$16 billion more in transportation funding for Illinois, including \$616 million to fund improvements to Illinois airports.⁶

In 2019, Illinois launched the successful “Rebuild Illinois” program that provided \$150 million to IDOT through the Rebuild Illinois Airport Capital Improvement Program (ACIP). Currently, \$93

⁵ <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

⁶ <https://illinoisepi.files.wordpress.com/2022/03/iija-transpo-funding-for-illinois.pdf>

million of these funds have been released to fund airport improvements in Illinois with more than \$56 million remaining.

IDOT also releases an Annual Proposed Airport Improvement Program.⁷ It is designed to provide an overview of the program as well as a current listing of all airport projects programmed for the next federal fiscal year to inform the public and aid local transportation stakeholders and business partners in specific planning activities. For federal fiscal year 2026, IDOT is proposing improvements totaling \$71,158,024 for the airports listed in Appendix A below.

Considering the increased opportunities available to DBEs and non-DBEs because of increased state and federal appropriations for airport improvements, past achievement is not indicative of what DBE participation may be achieved in FFY 2026-2028. To merely look at the past achievement rate is not dispositive that further efforts to increase DBE attainment cannot be made.

Therefore, IDOT proposes an adjusted base figure of **20.2 percent**. IDOT understands the overall DBE goal to be an aspirational one, which would reflect the level of DBE participation in the absence of discrimination in the marketplace. Furthermore, IDOT is mindful of the guidance in 49 CFR 26.45 (f) (1) (ii), which states that “You may adjust your three-year overall goal during the three-year period to which it applies, in order to reflect changed circumstances. You must submit such an adjustment to the concerned operating administration for review and approval.”⁸

B. Race and Gender-Neutral Split

The final requirement of the goal-setting process is to determine the portion of the overall goal that will be achieved by race- and gender-neutral means. As required by 49 CFR 26.51, the maximum feasible portion of the overall DBE goal should be achieved using race- and gender-neutral means.

Race- and gender-neutral program measures are designed to encourage the participation of all businesses—or all small businesses—in an agency’s work. In contrast, *race- and gender-conscious* measures are designed to encourage the participation of minority- and woman-owned businesses specifically in an agency’s work (e.g., using DBE participation goals to award individual contracts). If an agency cannot meet its goal solely through using race- and gender-neutral measures, then it must consider also using race- and gender-conscious measures.

In accordance with federal regulations and USDOT guidance, IDOT will attempt to meet the maximum feasible portion of its proposed overall DBE goal using race- and gender-neutral measures. IDOT considered median DBE participation as the result of race- and gender-neutral

⁷ <https://idot.illinois.gov/transportation-system/transportation-management/transportation-improvement-programs/airport-improvement-program.html>

⁸ <https://www.ecfr.gov/current/title-49/subtitle-A/part-26/subpart-C/section-26.45>

efforts during FFYs 2022 through 2024 to project the portion of its overall goal that it will meet using race- and gender-neutral measures during FFYs 2026 through 2028. Table 6 below presents past DBE participation as the result of race- and gender-neutral efforts during FFYs 2022 through 2024. Median DBE participation as the result of race- and gender-neutral efforts for those three years was **2.3 percent**.

Table 6: Race-Conscious and Race-Neutral Attainment, FFY 2022-2024

FEDERAL FISCAL YEAR	DBE ATTAINMENT	RACE-CONSCIOUS	RACE-NEUTRAL
2022	9.5%	7.2%	2.3%
2023	14.8%	13.1%	1.7%
2024	12.7%	6.8%	5.9%

IDOT intends to use myriad race- and gender-neutral measures to encourage DBE participation in its FAA-funded contracts in FFYs 2026 through 2028. These measures include re-establishing its Mentor-Protégé program and emphasizing its Small Business Initiative (SBI) program – two programs classified as race-neutral. Based on that information, IDOT projects that it will be able to meet 2.3 percent of its proposed DBE goal for FFYs 2026 through 2028 using race- and gender-neutral measures. The agency will meet the remainder of its overall DBE goal—17.9 percent—using race- and gender-conscious measures, specifically using DBE contract goals as allowed to award various FAA-funded contracts and procurements, as appropriate.

C. Public Participation Process

In accordance with 49 Code of Federal Regulations 26.45(g), the Illinois Department of Transportation will provide an opportunity for public participation in establishing its overall Disadvantaged Business Enterprise goal. This will be accomplished by making the goal setting methodology and rationale available for public inspection and comment. The Overall DBE Goal-Setting Methodology Report will be posted on IDOT’s public website (idot.illinois.gov/dbe) for a period of at least 30 days. Two public meetings will be held via Webex to provide the public with the opportunity to hear IDOT’s methodology process and provide comments on it and the document. A dedicated email address (DOT.DBEPublicComment@illinois.gov) will be advertised and available during those 30 days for anyone wishing to comment on the report.

An email with the meeting information, report, and instructions on how to comment on it will be sent out to stakeholder organizations and all DBEs in the Illinois Unified Certification Program.

APPENDIX A: LIST OF AIRPORTS

This is a list of all applicable Illinois airports – those Nonprimary / “General Aviation” / Reliever airports with less than 10,000 annual enplanements. (Format is “CITY” – “AIRPORT NAME”).

Aurora – Aurora Municipal
Beardstown – Greater Beardstown
Benton – Benton Municipal
Bethalto – St. Louis Regional
Bolingbrook – Clow International
Cahokia – St. Louis Downtown
Cairo – Cairo Regional
Canton – Ingersoll
Carbondale – Southern Illinois
Carmi – Carmi Municipal
Casey – Casey Municipal
Centralia – Centralia Municipal
Danville – Vermilion County
Decatur – Decatur Municipal
DeKalb – DeKalb Taylor
Dixon – Walgreen Memorial
Effingham – Effingham County Memorial
Fairfield – Fairfield Municipal
Flora – Flora
Freeport – Albertus
Galesburg – Galesburg Municipal
Greenville – Greenville
Harrisburg – Harrisburg-Raleigh
Havana – Havana Regional
Jacksonville – Jacksonville Municipal
Joliet – Joliet Regional
Kankakee – Greater Kankakee
Kewanee – Kewanee Municipal
Lacon – Marshall County
Lake in the Hills – Lake in the Hills
Lansing – Lansing Municipal
Lawrenceville – Lawrenceville-Vincennes International
Lincoln – Logan County
Litchfield – Litchfield Municipal
Macomb – Macomb Municipal
Mattoon-Charleston – Coles County Memorial
Metropolis – Metropolis Municipal
Monmouth – Monmouth Municipal
Morris – Morris Municipal
Mt. Carmel – Mt. Carmel Municipal
Mt. Sterling – Robert F. Tracy Memorial
Mt. Vernon – Mt. Vernon

Olney – Olney-Noble
Paris – Edgar County
Pekin – Pekin Municipal
Peoria – Mt. Hawley Auxiliary
Peru – Illinois Valley Regional
Pinckneyville-DuQuoin – Perry County
Pittsfield – Penstone
Pontiac – Pontiac Municipal
Quincy – Quincy Regional / Baldwin Field
Rantoul – National Aviation Center
Robinson – Crawford County Airport
Rochelle – Rochelle Municipal
Romeoville – Lewis University
Salem – Leckrone Field
Savanna – Tri-Township
Schaumburg – Schaumburg Regional
Shelbyville – Shelby County
Sparta – Sparta Community
Sterling-Rock Falls – Whiteside County
Taylorville – Taylorville Municipal
Vandalia – Vandalia
Waukegan – Waukegan Regional
West Chicago – DuPage
Wheeling-Prospect Heights – Chicago Executive