

***Disadvantaged Business Enterprises
Updated March 18, 2013***

STATUS: ACTIVE

PROGRAM CODES: Same as source funds

FEDERAL SHARE: Same as source funds

PERIOD AVAILABLE: Same as source funds

FUND: Highway Trust Fund

FUND DISTRIBUTION METHOD: N/A

TYPE OF AUTHORITY: Contract

SUBJECT TO OBLIGATION LIMITATION: Yes

STATUTORY REFERENCE: Section 1101(b) of MAP-21

CFR REFERENCE: 49 CFR 26

ELIGIBILITY: Section 1101(b) of the Moving Ahead for Progress in the 21st Century Act (MAP-21, P.L. 112-141) requires that not less than 10 percent of the amounts authorized to be appropriated under the provisions of Titles I, III, and V (for Title 23 highway projects, transit projects, and transportation research, respectively) must be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals. Annually, each State must survey and compile a list of small business concerns in the State and notify the Secretary of Transportation in writing of the percentage of such concerns that are controlled by women, by socially and economically disadvantaged individuals (other than women), and by individuals who are both women and socially or economically disadvantaged individuals.

BACKGROUND: The U.S. DOT Disadvantaged Business Enterprise (DBE) Program ensures equal opportunity in transportation contracting markets, addresses the effects of discrimination in transportation contracting, and promotes increased participation in Federally funded contracts for small, socially and economically disadvantaged businesses. With the passage of Title VI of the Civil Rights Act of 1964, Federal agencies were required to provide equitable treatment in the delivery of programs and services. The Surface Transportation Assistance Act of 1982 (1982 STAA, Public Law 97-424), the Surface Transportation and Uniform Relocation Assistance Act of 1987 (1987 STURAA, Public Law 100-17) and the Intermodal Surface Transportation Efficiency Act of 1991 (1991 ISTEA, Public Law 102-204), Section 1101(b) of the Transportation Equity Act for the 21st Century (TEA-21, Public Law 105-178) and Section 1101(b) of the SAFETEA-LU emphasized the Department of Transportation's commitment to ensure equal opportunity in contracting.

The STAA required that not less than 10 percent of the amounts authorized for federally assisted highway and transit projects be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals. The STURAA continued the 10 percent requirement, added women to the group presumed socially and economically disadvantaged, established a size standard for participation, and required a directory of certified firms. The ISTEA retained the provisions of the DBE program and required a study of the program by the Comptroller General. Section 1101 (b) of TEA-21 continued authorization of the DBE Program, changed the funding provisions to Titles I - Federal-aid Highways; Title III - Public Transportation; and Title V - Research, and ensured a State's continued eligibility to receive Federal funds if a Federal court issued a final order rendering the application of the State's DBE Program to be unconstitutional.

MAP-21 Section 1101(b) -- Authorization of Appropriations/Disadvantaged Business Enterprises (DBE) continues the DBE program as previously authorized under TEA-21 and SAFETEA-LU. The

program continues to apply to funds made available under Title I, III and V, and funds made available for highway safety under 23 USC § 403. The U.S. Congress raised the gross receipts cap to \$22,410,000 to determine whether a business meets the size standard applicable to small businesses interested in participating in the DBE program. The cap is to be adjusted annually by the U.S. Secretary of Transportation for inflation.

ADDITIONAL INFORMATION: Contact the Office of Civil Rights (HCR).