

State of Hawaii

Department of Transportation

Highways

**Disadvantaged Business Enterprise
Program**

Federal Fiscal Years 2026-2028

Proposed Goal & Methodology

August 2025

Introduction

The Hawaii Department of Transportation (HDOT) hereby submits its proposed annual, overall Disadvantaged Business Enterprise (DBE) goal for federal fiscal years (FFYs) 2026-2028 to the Federal Highway Administration (FHWA) for review and approval pursuant to [49 CFR Part 26, section 26.45](#).

Based on HDOT's internal Road Map of federally funded projects for FFYs 2026-2028, HDOT is anticipating 40 projects totaling approximately \$630,934,030.00. HDOT has established a proposed triennial DBE goal for FHWA-funded contracts of 10.25% based on the results of the 2019 DBE Availability and Disparity Study. HDOT's proposed overall DBE goal will be 10.25% with a 2.66% race/gender neutral and 7.59% race/gender conscious split. The overall goal is based on demonstrable evidence of ready, willing, and able DBEs relative to all businesses currently ready, willing, and able to participate on HDOT's FHWA-assisted contracts.

HDOT primarily relied on data from the 2019 Keen Independent Availability and Disparity Study, and guidance from the *2022 DBE Overall Goal Methodology DBE Program – Overall Goal Methodology* PowerPoint and USDOT's *Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program* to establish its proposed overall DBE goal.

The 2019 DBE Availability and Disparity Study report provided information to HDOT as it considered refinements to: (1) its overall DBE goal for FFY 2026-2028 for FHWA-funded contracts, and (2) its projection of the portion of its overall DBE goal to be achieved through race/gender neutral and race/gender conscious means. HDOT estimates that the overall goal can be achieved through race/gender neutral and race/gender conscious participation on HDOT FHWA-assisted projects.

Relevant Geographic Market Area and Types of Work

HDOT is using data from its 2019 DBE Availability and Disparity Study to determine Relevant Geographic Market Area and Types of Work. Based on analysis of FHWA-funded contracts HDOT determined that Hawaii should be selected as the relevant geographic market area.

- About 95% of HDOT FHWA-funded contract dollars from July 2011 through June 2016 went to firms with locations in Hawaii. Therefore, the availability analysis examined firms with locations in Hawaii.
- The Disparity Study also examined the types of work involved in FHWA-funded contracts from July 2011 through July 2016. There were 31 types of work that accounted for about 96% of FHWA-funded contract dollars. The availability analysis focused on firms performing these 31 types of work.

STEP 1 – Availability Analysis

The base figure of 17.26% is based on data from the Disparity Study analysis. As presented in Chapter 4 of the Disparity Study, one might expect current and potential DBEs to receive 17.26% of HDOT FHWA-funded transportation contract dollars based on analysis of FHWA-funded contracts from July 2011 through June 2016 and availability of firms to perform that work.

HDOT's availability analysis determined the percentage of FHWA-funded contracts that might go to current or potential DBEs if they had the same chance of winning that work as any other available firm, after accounting for the type, size and location of those prime contracts and subcontracts. HDOT used a dollar-weighted approach to determine this overall availability estimate. Based on this analysis and considerations made for a Step-2 adjustment, it is expected that current and potential DBEs will receive 10.25% of FHWA-funded transportation contracts let by HDOT for FFY 2026-2028.

Master Availability Database. Keen Independent developed a master availability database (current and potential DBEs and non-DBEs) by contacting thousands of firms to collect information about availability for HDOT contracts. The firms contacted for the database came from sources including, but not limited to:

- Companies that had previously identified themselves to HDOT as interested in learning about future work by being prequalified for certain types of work or being on bidding lists; and
- Businesses that Dun & Bradstreet (D&B) identified in certain transportation contracting-related sub-industries in Hawaii (D&B's Hoover's business establishment database). (D&B's Hoover's database is accepted as the most comprehensive and complete source of business listings in the nation.)

Keen Independent completed surveys with 1,101 Hawaii businesses. After consolidating duplicate responses and removing companies that are no longer in business, not-for-profit, unable to perform transportation-related work or uninterested in discussing availability for HDOT work, the final database contains 304 businesses, of which 174 (or 57.2%) were minority- or women-owned (MBE or WBE). The table below shows the number of firms in the final availability database and the breakdown of minority and majority owned firms.

Table 1 - Availability "Head Count" of Transportation Construction and Engineering -Related Businesses Included in the 2019 Availability and Disparity Study

Figure 1. Availability "Head Count" of Transportation Construction and Engineering-Related Businesses Included in 2019 Availability and Disparity Study

Race/ethnicity and gender	Number of firms	Percent of firms
African American-owned	5	1.6 %
Asian Pacific American, Native Hawaiian or Pacific Islander-owned	126	41.4
Hispanic American-owned	18	5.9
American Indian or Alaska Native-owned	2	0.7
Subcontinent Asian American-owned	10	3.3
Total MBE	161	53.0 %
WBE (white women-owned)	13	4.3
Total MBE/WBE	174	57.2 %
Total majority-owned firms	130	42.8
Total firms	304	100.0 %

Source: Keen Independent 2019 Availability and Disparity Study (Chapter 4, Page 9)

Dollar-Weighted Availability. HDOT developed a dollar-weighted availability benchmark. This approach is consistent with USDOT's *Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program*. To calculate dollar-weighted availability, HDOT determined the number of DBEs (109) and the total number of firms available (1,947).

Note, the overall dollar-weighted availability for FHWA funded contracts during the study period was 52.97%.

Potential and Certified DBE Availability Adjustments. HDOT further refined this figure, which focuses on availability of currently certified DBEs and firms that could be certified as DBEs, by not counting any MBE or WBE firms as potential DBEs that appear to be ineligible for certification. Based on the Disparity Study's findings, there were three groups of MBEs/WBEs that did not count as potential DBEs when calculating the base figure:

- MBE/WBEs that in recent years graduated from the DBE Program or had applied for DBE certification in Hawaii but were denied.
- MBE/WBEs that reported annual revenue in the availability surveys that exceeded the revenue limits for DBE certification for their sub-industry over the most recent three years (at the time of the 2018 survey).
- MBE/WBEs that indicated in follow-up interviews that they were not eligible or not interested in DBE certification (interviews performed in the Availability and Disparity Study).

As shown below in Table 2, HDOT's base figure is calculated to be 17.26%. HDOT believes the base figure can be used for the FFY 2026-2028 DBE goal methodology based on its anticipated federally funded projects amounts.

Table 2 - Overall Dollar-Weighted Availability Estimates for MBE/WBEs for HDOT FHWA-Funded Contracts, July 2011-June 2016

Figure 4. Overall Dollar-Weighted Availability Estimates for MBE/WBEs for HDOT FHWA-Funded Contracts, July 2011–June 2016

Calculation of base figure	FHWA
Total MBE/WBE	52.97 %
Less firms that graduated from the DBE Program or denied DBE certification in recent years or exceed revenue limits	<u>35.71</u>
Subtotal	17.26 %
Plus white male-owned DBEs	<u>--</u>
Current and potential DBEs	17.26 %

Source: Keen Independent 2019 Availability and Disparity Study (Chapter 4, Page 18)

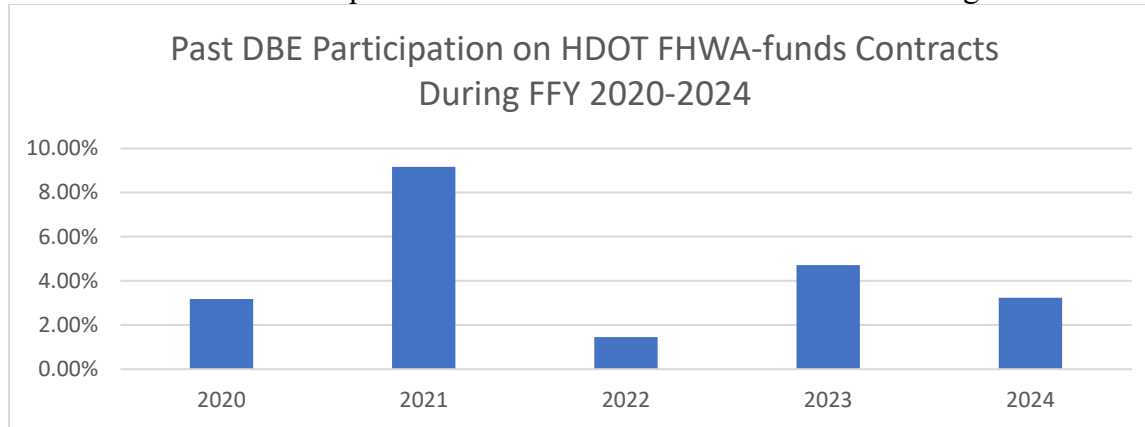
STEP 2 – Base Figure Adjustment

Quantification of potential downward or upward Step-2 adjustments is summarized below:

1. Current Capacity of DBEs to Perform Work, Measured by the Volume of Work DBEs Performed in Recent Years.

Analysis of this factor might indicate a downward Step-2 adjustment if HDOT analyzed its estimates of past DBE participation from FFY 2020-2024. Based on HDOT's analysis, the median DBE participation on FHWA-funded contracts was 3.23% for FFY 2020-2024.

Table 3 - Past DBE Participation on HDOT FHWA-funds Contracts During FFY 2020-2024



Source: HDOT Uniform Reports of DBE Awards/Commitments and Payments

FFY 2022: 1.46%, FFY 2020: 3.18%, FFY 2024: 3.23%, FFY 2023: 4.72%, FFY 2021: 9.17%.

NOTE: Fiscal years of Past DBE Participation on HDOT FHWA-funded Contracts FFY 2020-2024 are arranged to illustrate that FFY 2024 3.23% is the median number.

USDOT “*Tips for Goal-Setting*” suggests taking one-half of the difference between the base figure and evidence of current capacity as one approach to calculate the Step-2 adjustment for that factor. Using the Disparity Study’s base figure of 17.26% and median number of 3.23% from the past five fiscal years of DBE Participation on HDOT FHWA- funded contracts, DBE participation is 20.49 percentage points ($17.26\% + 3.23\% = 20.49\%$). One-half of this difference reflects a downward adjustment to 10.25 percentage points ($20.49\% \div 2 = 10.25\%$).

2. Information Related to Employment, Self-employment, Education, Training and Unions.

As per the Keen Independent 2019 DBE Availability and Disparity Study, HDOT used the quantification of the business ownership factor indicating an upward Step-2 adjustment of 14.21 percentage points to reflect the “but-for” analyses of business ownership rates. If HDOT made this adjustment, the overall DBE goal for FHWA-funded contracts would be 31.47% ($17.26\% + 14.21\%$).

Table 4 - Downward and Upward Adjustment Options for HDOT:

Step-2 adjustment component		Value	Explanation
Lower range of overall DBE goal			
Base figure		17.26%	From Disparity Study base figure analysis
Evidence of current capacity	+	3.23%	Past DBE participation (Uniform Report data)
Total		20.49%	
	÷	2	Reduce by one-half
Adjustment		10.25%	Downward adjustment for current capacity

Upper range of overall DBE goal			
Base figure		17.26%	From base figure analysis
Adjustment for "but for" factors	+	14.21	"But for" Step-2 adjustment for business ownership (<i>As per the Keen Independent for the 2019 Availability and Disparity Study</i>)
Overall DBE goal		31.47%	Upper range of DBE goal

HDOT considered the above information when determining whether to make a downward, upward or no Step-2 adjustment when establishing its overall DBE goal.

For FHWA-funded contracts, HDOT proposes to utilize a Step-2 downward adjustment, resulting in an overall DBE goal of 10.25% for FFY 2026-2028. This adjustment is justified by the following:

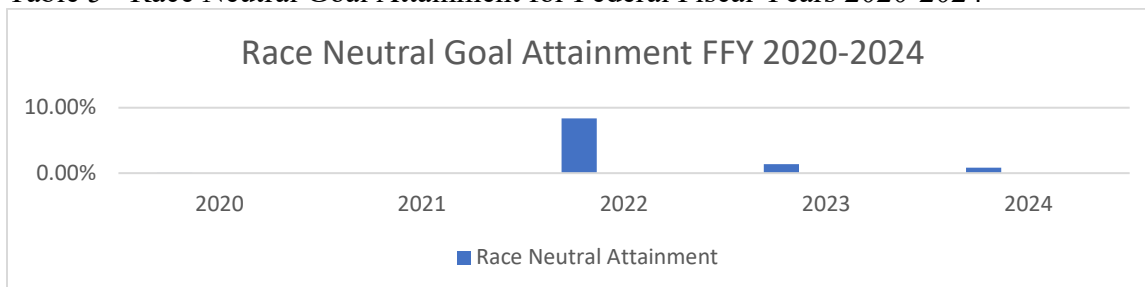
- The proposed DBE goal of 10.25% exceeds the median past DBE participation rate of 3.23%, as documented in Uniform Reports submitted from 2020 through 2024. This historical participation level supports a downward adjustment from the initial base figure of 17.26%, and it does not substantiate the use of an upward Step-2 adjustment.
- HDOT also examined the difference between the "but-for" availability of minority- and women-owned business enterprises (MBEs/WBEs) and the current measured availability. Specifically, the "but-for" availability is estimated at 14.21%, which, when combined with the base figure of 17.26%, suggests a potential upward adjustment to 31.47%. However, based on HDOT's assessment of current DBE capacity, market conditions, and the observed disparity between past participation and calculated availability, such an upward adjustment is not supported by the data.

Accordingly, HDOT believes the proposed DBE goal of 10.25%—which incorporates a Step-2 downward adjustment—is a more accurate reflection of current capacity and market readiness among ready, willing, and able DBE firms.

Race/Gender Neutral and Race/Gender Conscious Split

HDOT initially proposed to take the median of the race neutral attainment over the past five federal fiscal years to establish the race-neutral projection of its overall goal:

Table 5 - Race Neutral Goal Attainment for Federal Fiscal Years 2020-2024



Source: HDOT Uniform Reports of DBE Awards/Commitments and Payments

FFY 2021: 0.00%, FFY 2020: 0.03%, FFY 2024: 0.83%, FFY 2023: 1.39%, FFY 2022: 8.38%

NOTE: Race Neutral Goal Attainment FFY 2020-2024 is arranged to illustrate that FFY 2024: 0.83% is the median number.

- Based on the data presented above, the proposed race-neutral and race-conscious split for the overall DBE goal is 0.83% race/gender-neutral and 9.42% race/gender-conscious.
- Rather, HDOT proposes to average the four years of recorded race/gender neutral participation (FFY 2020 – 0.03%, FFY 22 – 8.38%, FFY 23 – 1.39%, and FFY 24 – 0.83%) to identify its race/gender neutral participation. This will allow HDOT to maximize its race/gender neutral efforts.
- The average of 0.03%, 8.38%, 1.39%, and 0.83% would result in a 2.66% race/gender neutral projection ($0.03\% + 8.38\% + 1.39\% + 0.83\% = 10.63\% / 4 = 2.66\%$).

This allows HDOT to continue maximizing its race- and gender-neutral efforts while recognizing the ongoing need for race- and gender-conscious measures to achieve its overall goal. Accordingly, this approach will be implemented for FFY 2026-2028.

The proposed race-neutral and race-conscious split for the overall DBE goal is 2.66% race/gender-neutral and 7.59% race/gender-conscious. This allows HDOT to continue optimize our race- and gender-neutral efforts while recognizing the ongoing need for race- and gender-conscious measures to achieve its overall goal. Accordingly, this approach will be implemented for FFY 2026-2028. To increase race/gender neutral efforts, HDOT will continue to provide the following supportive services:

- Inform and educate DBEs of available solicitations posted the Hawaii Awards & Notification Data System (<https://hands.ehawaii.gov/hands/>).
- Ensure the access of our DBE Directory (www.hdot.dbesystem.com), through electronic means to prime contractors.
- Provide outreach and education on the DBE program to trade groups, associations, chapters, and minority and women's organizations.
- Organize, host, and sponsor multiple networking events yearly to provide the opportunities for primes and HDOT DBEs to meet face to face (either in-person or virtually).
- Organize, host, and sponsor informational events for specifically identified lettings. These informational events will inform the DBEs of the specific scope of work for the project, and they will be able to better understand the opportunities that the project may afford them.
- Notify DBEs, with the capability and willingness to perform as a prime contractor, of the upcoming lettings that are conducive to businesses their size.
- Host supportive services programs to improve the business acumen for DBEs and other small businesses, by providing information on:
 - training on business management
 - contract administration/management
 - estimating (material, equipment, and labor costs)

- marketing and branding
- insurance and bonding
- financial systems
- project forecasting
- employee responsibilities and compensation
- locating work opportunities

Additionally, HDOT will continue to count the following race/gender neutral participation:

- DBE participation on projects with a contract goal, that exceed the DBE contract goal.
- When a DBE wins a prime contract through customary competitive procurement procedures.

Groups Eligible for DBE Contract Goals:

In 2020, Hawaii had the highest racial and ethnic diversity of any state in the United States, with a 76.0% probability that two randomly selected individuals would belong to different racial groups. People identifying as multiracial made up 25.3% of Hawaii’s population—an increase from 23.6% in 2010—compared to just 10.2% of the total population nationwide.¹ Based on previous census data, Native Hawaiians and Pacific Islanders were one of the fastest growing groups of business owners in the United States, and in Hawaii they accounted for 8,487 businesses across all business sectors.² Additionally, in the construction sector, Native Hawaiian owned small business comprise 15.7% of the total amount of businesses.³

To capture an accurate depiction of that growth, HDOT needs to be sure that they are eligible for and counted towards DBE contract goals. Therefore, HDOT strongly affirms that businesses owned and controlled by socially and economically disadvantaged individuals—particularly Asian Pacific Americans, Native Hawaiians, and Pacific Islanders—must continue to be eligible for inclusion under DBE contract goals. These groups represent a significant portion of Hawaii’s population and contribute meaningfully to the state’s construction and engineering industries.

For purposes of the 2019 Hawaii DBE Availability and Disparity Study, demographic information was provided in a more detailed breakdown regarding ethnic sub-groups included in broader groups found in 49 CFR Section 26.5. To accurately analyze the unique multi-racial and ethnic background of Hawaii’s population, the study team examined availability for businesses owned by:

- Asian Pacific Americans, Native Hawaiians or Pacific Islanders, which includes the following:

¹ State of Hawaii, Department of Business, Economic Development & Tourism. (2023, May 25). 2020 decennial census series: Demographic and housing characteristics for Hawaii [PDF]. https://files.hawaii.gov/dbedt/census/census_2020/data/dp/2020-DP-DHC-decennial_highlights.pdf

² Bernstein, Robert. (2016, August 11). Economy-Wide Statistics Division. <https://www.census.gov/newsroom/blogs/random-samplings/2016/08/native-hawaiian-and-other-pacific-islander-owned-businesses-grow-faster-than-firms-owned-by-other-race-groups.html>

³ State of Hawaii, Department of Business, Economic Development & Tourism. (January 2021). Native Hawaiian Entrepreneurs [PDF]. https://files.hawaii.gov/dbedt/economic/reports/Hawaii_Native_Hawaiian_Entrepreneurs.pdf

Burmese, Cambodian, Chamorro, Chinese, Fijian, Filipino, Guamanian, Hmong, Indonesian, Japanese, Korean, Laotian, Malaysian, Mongolian, Native Hawaiian, Samoan, Taiwanese, Thai, Tongan and Vietnamese. This category also included other Polynesian, Melanesian and Micronesian races, as well as individuals identified as Pacific Islanders.

- Hispanic Americans, including people of Portuguese background
- American Indians or Alaska Natives
- Subcontinent Asian Americans
- Non-Hispanic white women

The 2019 DBE Availability and Disparity Study illustrated that businesses owned by Native Hawaiians were grouped with those owned by Asian Pacific Americans and Pacific Islanders rather than with American Indians and Alaska Natives. This reflects U.S. Census data that shows many Native Hawaiians also identifying as Asian Pacific Americans or Pacific Islanders, and vice-versa. According to the U.S. Census Bureau, “roughly 690,000 people identified as Native Hawaiian or Other Pacific Islander (NHPI) alone but almost 900,000 identified as NHPI in combination with another race.”⁴ Other groupings listed above follow those in 49 CFR Section 26.5.

Table 6 (below) presents utilization and availability data for the demographic groups and subgroups listed above, shown below in aggregate form. It reveals substantial disparities for businesses owned by African Americans, Hispanic Americans, American Indians and Alaska Natives, and Subcontinent Asian Americans—even during a period when HDOT applied DBE contract goals. However, this aggregated data doesn’t reflect fully the different disparities among those subgroups.

Table 6 - MBE/WBE utilization and availability for HDOT FHWA-funded contracts, July 2011–June 2016

	Utilization	Availability	Disparity Index
## African American	0.11%	0.65%	18
**Asian Pacific American, Native Hawaiian or Pacific Islander	31.50%	26.05%	121
## Hispanic American	1.10%	2.53%	44
## American Indian or Alaska Native	0.00%	0.00%	0
## Subcontinent Asian American	0.69%	6.20%	11
^^ Total MBE	33.41%	38.71%	88
## WBE (White women-owned)	1.06%	14.80%	7
## Total MBE/WBE	34.47%	52.97%	65
**Total majority-owned	65.53%	47.03%	139
Total firms	100%	100%	
** Disparity index of 100 or higher	A disparity index of 100 indicates an exact match between actual utilization and what might be		

⁴ Monte, L., & Shin, H. (2022, May 25). *Broad Diversity of Asian, Native Hawaiian, Pacific Islander Population*. The United States Census Bureau. <https://www.census.gov/library/stories/2022/05/aanhpi-population-diverse-geographically-dispersed.html>

	expected based on MBE/WBE availability for a specific set of contracts (often referred to as “parity”).
^^ Disparity index of 99-80	A disparity index of less than 100 may indicate a disparity between utilization and availability, and disparities of less than 80 in this report are described as “substantial.”
## Disparity index of less than 80	

Source: Keen Independent 2019 Availability and Disparity Study (Figure 5-12, Chapter 5, Page 16)

The 2019 DBE Availability and Disparity Study found no overall disparity for the combined group of Asian Pacific Americans, Native Hawaiians, and Pacific Islanders, as grouping these distinct communities together obscures the specific disparities each subgroup faces. Aggregation, in this case, masks the unique challenges Native Hawaiian and Pacific Islander communities encounter in areas such as education, healthcare, criminal justice, and business—challenges that ultimately influence the level of resources allocated to members of these groups.⁵ That, in turn, affects the resources that those communities are afforded.⁶

“Disaggregating the data to examine various ethnicities more closely can help policy makers and researchers better understand the broader economic circumstances of these small communities.”⁷ HDOT further notes that, compared to all other groups, Native Hawaiians, Chinese Americans, Filipino Americans, and Japanese Americans showed lower probabilities of business ownership among individuals employed in the construction industry. These findings indicate that disparities in business ownership persist across the largest subgroups within the aggregated Asian Pacific American/Native Hawaiian category (Appendix F, p. 10).

Ensuring the inclusion of businesses owned by Asian Pacific Americans, Native Hawaiians and Pacific Islanders—such as Native Hawaiian, Chinese American, Filipino American, and Japanese American subgroups—in the achievement of contract goals is a critical step toward addressing historical injustices and promoting equitable access to economic opportunities. Facilitating their meaningful participation helps to dismantle persistent barriers and disparities, fostering an environment in which these communities can thrive. By creating pathways to success, these efforts contribute not only to rectifying past inequities but also to empowering current and future generations to realize their full potential and be recognized not as underserved populations, but as integral contributors to economic growth and resilience.

Table 7 shows that there is substantial disparity between utilization and availability of subgroups including Filipino American, Japanese American, Other Asian Pacific, and Pacific Islanders. While utilization significantly exceeded the availability for Korean American and Native Hawaiian-owned firms, significant disparities exist for Filipino American, Japanese American, Other Asian Pacific and Pacific Islanders.

⁵ Song, T. (2025, February 11). Why data disaggregation matters: Exploring the diversity of Asian American economic outcomes using Public Use Microdata Sample (PUMS) data. D-Lab, University of California Berkeley. Retrieved from <https://dlab.berkeley.edu/news/why-data-disaggregation-matters-exploring-diversity-asian-american-economic-outcomes-using>

⁶ Chen, Shawna. (2021, Sep 15). “Study: Gaps in data on Native Hawaiians, Pacific Islanders alarming amid COVID” *Axios*. <https://www.axios.com/2021/09/16/covid-data-native-hawaiians-pacific-islanders>

⁷ U.S. Department of the Treasury. (2024, May 7). *Fact sheet on Asian Americans, Native Hawaiians, and Pacific Islanders*. <https://home.treasury.gov/system/files/136/Fact-Sheet-AANHPI-Booklet.pdf>.

Table 7 - Asian Pacific American, Native Hawaiian and Pacific Islander utilization and availability for HDOT FHWA-funded contracts, July 2011–June 2016

	Utilization	Availability	Disparity Index
** Chinese American	8.14%	6.15%	132
## Filipino American	0.31%	2.76%	11
## Japanese American	8.09%	14.91%	54
** Korean American	2.34%	0.12%	999+
** Native Hawaiian	11.02%	1.86%	593
## Other Asian Pacific	0.01%	0.17%	4
## Pacific Islander	0.02%	0.08%	26
## Unknown Asian Pacific American	1.57%	0.00%	N/A
** Total Asian Pacific American, Native Hawaiian and Pacific Islander	31.50%	26.05%	121
Other firms	68.50%	73.95%	
Total	100%	100%	
** Disparity index of 100 or higher	A disparity index of 100 indicates an exact match between actual utilization and what might be expected based on MBE/WBE availability for a specific set of contracts (often referred to as “parity”).		
^^ Disparity index of 99-80	A disparity index of less than 100 may indicate a disparity between utilization and availability, and disparities of less than 80 in this report are described as “substantial.”		
## Disparity index of less than 80			

Source: Keen Independent 2019 Availability and Disparity Study (Figure 5-13, Chapter 5, Page 17).

As illustrated in Table 8, of the \$548 million in FHWA-funded contracts from July 2011–June 2016, that had DBE contract goals applied, \$178 million (32%) went to Asian Pacific American-, Native Hawaiian- or Pacific Islander-owned companies and \$12 million (2%) went to other minority- and women-owned firms. About 30 percent of the contract dollars for the \$267 million of FHWA-funded contracts without goals also went to Asian Pacific American-, Native Hawaiian- or Pacific Islander-owned businesses.

Table 8 - MBE/WBE and DBE Share of Dollars for Contracts with and without DBE Contract Goals for FHWA-Funded Contracts by Specific Racial Groups, July 2011–June 2016

	With goals			Without goals		
	Number of procurements*	\$1,000s	Percent of dollars	Number of procurements*	\$1,000s	Percent of dollars
MBE/WBES						
African American	8	\$ 873	0.2 %	3	\$ 59	0.0 %
Asian Pacific American, Native Hawaiian or Pacific	317	177,539	32.4	157	79,188	29.6
Hispanic American	27	5,461	1.0	11	3,530	1.3
American Indian or Alaska	3	0	0.0	0	0	0.0
Subcontinent Asian American	0	0	0.0	3	5,662	2.1
Total MBE	355	\$ 183,872	33.6 %	174	\$ 88,439	33.1 %
WBE (white women-owned)	16	6,414	1.2	10	2,243	0.8
Total MBE/WBE	371	\$ 190,286	34.7 %	184	\$ 90,682	33.9 %
Total majority-owned	403	357,531	65.3	333	176,494	66.1
Total	774	\$ 547,817	100.0 %	517	\$ 267,176	100.0 %
DBEs						
African American	2	\$ 745	0.1 %	0	\$ 0	0.0 %
Asian Pacific American, Native Hawaiian or Pacific	165	18,890	3.4	34	11,049	4.1
Hispanic American	21	5,037	0.9	3	55	0.0
American Indian or Alaska	3	0	0.0	0	0	0.0
Subcontinent Asian American	0	0	0.0	0	0	0.0
Total MBE	191	\$ 24,672	4.5 %	37	\$ 11,104	4.2 %
WBE (white women-owned)	5	\$ 390	0.1 %	1	\$ 0	0.0 %
White male-owned DBE	0	0	0.0	0	0	0.0
Total DBE-certified	196	\$ 25,062	4.6 %	38	\$ 11,104	4.2 %
Non-DBE	578	522,755	95.4	479	256,071	95.8
Total	774	\$ 547,817	100.0 %	517	\$ 267,176	100.0 %

Source: Keen Independent 2019 Availability and Disparity Study (Figure 6-2, Chapter 6, Page 3).

In contrast, Filipino American- and Pacific Islander-owned companies combined received less than \$1 million of the contract dollars with DBE goals and about \$2 million of the contract dollars without DBE goals. This translates into utilization of 0.1 percent for contracts with goals and 0.8 percent for contracts without goals.

With and without DBE goals, Chinese American-, Japanese American-, Korean American- and Native Hawaiian-owned businesses were awarded the most FHWA-funded contract dollars.

- With goals: Chinese American-, Japanese American-, Korean American- and Native Hawaiian-owned businesses were awarded \$175,535,000 worth of FHWA-funded contracts.
- Without goals: Chinese American-, Japanese American-, Korean American- and Native Hawaiian-owned businesses were awarded \$65,619,000 worth of FHWA-funded contracts.⁸

⁸ Note: Number of contracts/subcontracts analyzed is 774 with DBE contract goals and 517 without contract goals.

Source: Keen Independent from data on FHWA-funded prime contracts and subcontracts, July 2011–June 2016 (Chapter 6, Page 4)

Table 9 - MBE/WBE and DBE Share of Dollars for Contracts with and without DBE Contract Goals for FHWA-Funded Contracts by Asian Pacific American, Native Hawaiian and Pacific Islander groups, July 2011–June 2016

	With goals			Without goals		
	Number of procurements*	\$1,000s	Percent of dollars	Number of procurements*	\$1,000s	Percent of dollars
MBE/WBEs						
Chinese American	46	\$ 48,194	8.8 %	37	\$ 18,157	6.8 %
Filipino American	15	372	0.1	3	2,161	0.8
Japanese American	81	39,024	7.1	56	26,885	10.1
Korean American	2	11,663	2.1	6	7,413	2.8
Native Hawaiian	148	76,654	14.0	38	13,164	4.9
Other Asian Pacific American	0	0	0.0	1	59	0.0 %
Pacific Islander	1	165	0.0	0	0	0.0
Unknown Asian Pacific American	24	1,468	0.3	16	11,349	4.2
Total Asian Pacific American	317	\$ 177,539	32.4 %	157	\$ 79,188	29.6 %
Total non-Asian Pacific American	457	370,278	67.6	360	187,988	70.4
Total	774	\$ 547,817	100.0 %	517	\$ 267,176	100.0 %
DBEs						
Chinese American	5	\$ 700	0.1 %	3	\$ 1,614	0.6 %
Filipino American	12	319	0.1	2	1,520	0.6
Japanese American	31	1,717	0.3	8	1,839	0.7
Korean American	1	5	0.0	1	0	0.0
Native Hawaiian	100	14,957	2.7	13	1,527	0.6
Other Asian Pacific American	0	0	0.0	0	0	0.0
Pacific Islander	0	0	0.0	0	0	0.0
Unknown Asian Pacific American	16	1,191	0.2	7	4,549	1.7
Total Asian Pacific American	165	\$ 18,890	3.4 %	34	\$ 11,049	4.1 %
Total non-Asian Pacific American	609	528,927	96.6	483	256,126	95.9
Total	774	\$ 547,817	100.0 %	517	\$ 267,176	100.0 %

Source: Keen Independent 2019 Availability and Disparity Study (Figure 6-3, Chapter 6, Page 4).

Additionally, as noted in the 2019 DBE Availability and Disparity Study, approximately 71% of the workforce in the State of Hawaii identifies as Asian Pacific American or Native Hawaiian (Appendix E, Page 2), and 42% of business owners in the construction and engineering industries identify as Asian Pacific American (Appendix E, Page 5). The inclusion of Asian Pacific Americans, Native Hawaiians, and Pacific Islanders is essential to ensuring enough ready, willing, and able DBEs to support the development of accurate and attainable contract goals.

Table 10 - Amount of Transportation Construction and Engineering Related Businesses Firms Owned by Racial/Ethnic and Gender Groups in Hawaii

Race/ethnicity and gender	Number of firms	Percent of firms
African American-owned	5	1.6%
Asian Pacific Americans, Native Hawaiians or Pacific Islander-owned	126	41.4%
Hispanic American-owned	18	5.9%
American Indian or Alaska Native-owned	0	0.7%
Subcontinent Asian American-owned	10	3.3%

Total MBE	161	53.0%
WBE (white women-owned)	13	4.3%
Total MBE/WBE	174	57.2%
Total majority-owned firms	130	42.8%
Total firms	304	100%

Source: Keen Independent 2019 Availability and Disparity Study (Chapter 4, Page 10)

The number of transportation construction and engineering-related firms in Hawaii owned by Asian Pacific Americans, Native Hawaiians, or Pacific Islanders significantly exceeds that of firms owned by African Americans, Hispanic Americans, American Indians or Alaska Natives, and Subcontinent Asian Americans, with a ratio of 126 to 33. Moreover, the number of firms owned by individuals from these groups nearly equals the number of majority-owned firms, with a comparison of 126 to 130. This data underscores the importance of including Asian Pacific Americans, Native Hawaiians, and Pacific Islanders in DBE considerations and goal-setting efforts.

Additionally, Asian Pacific Americans, Native Hawaiians and Pacific Islanders constitute 71 percent of the Hawaiian workforce, of which, the largest groups are Filipino Americans, Japanese Americans, Native Hawaiians and Chinese Americans (in that order).⁹

This data illustrates the integral role that existing and potential Asian Pacific American, Native Hawaiian, or Pacific Islander-owned firms play in the business landscape across the state. Despite their strong presence and availability, studies consistently show that minority-owned businesses continue to receive a disproportionately small share of contracting opportunities relative to both their representation in the population and their demonstrated capacity to perform state and local contracting work. That said, studies also show that contracts with DBE goals tend to reduce racial disparities in contracting, highlighting the vital role these programs play in addressing inequities rooted in racial and gender bias.¹⁰

Access to contracting and subcontracting opportunities for Asian Pacific American, Native Hawaiian, and Pacific Islander-owned firms through the DBE program remains essential to supporting the economic health, well-being, and long-term growth of individuals, businesses, families, and communities throughout the state.

Therefore, the inclusion of Asian Pacific Americans, Native Hawaiians, and Pacific Islanders in the participation of contract goals will ensure that prime contractors have access to a qualified, capable, and readily available pool of DBEs. Moreover, it will afford a substantial number of firms within this demographic group a fair and equitable opportunity to compete for federally funded transportation contracts—opportunities that are critical to fostering long-term economic advancement and the potential for generational wealth.

⁹ Source: Keen Independent 2019 Availability and Disparity Study (Chapter 7, Page 2)

¹⁰ White House Council of Economic Advisers. (2024, December 20). *Racial Disparities in Government Contracting*. The White House. <https://bidenwhitehouse.archives.gov/cea/written-materials/2024/12/20/racial-disparities-in-government-contracting/>

Overall DBE Goal

The proposed FHWA goal has been narrowly tailored and illustrates the following:

- Overall goal: 10.25%
- Race Neutral goal: 2.66%
- Race Conscious goal: 7.59%

HDOT's findings indicate that narrowly tailored contract goals remain essential to ensuring nondiscrimination in the awarding of federally funded contracts. According to data from the Annual Uniform Reports, HDOT has made progress in narrowing the DBE attainment gap in recent years. Accordingly, the proposed goal of 10.25% represents a realistic and attainable benchmark that supports the continuation of this positive trend.

To further advance DBE participation, HDOT will maintain and expand its outreach efforts to attract more eligible firms into the DBE program. In addition, HDOT will continue to set contract goals on federally funded Requests for Proposals, as appropriate, and will begin setting goals on Professional Services Solicitations, where applicable, to more broadly and accurately capture DBE participation. HDOT will also encourage DBEs to respond to solicitations in which they are qualified to serve as prime contractors.