



# Caltrans DBE Reevaluation

## Frequently Asked Questions (FAQ) Guide for DBE Firms

Updated April 16, 2026

*This document provides an overview of frequently asked questions for Disadvantaged Business Enterprise (DBE) firms undergoing reevaluation under the U.S. Department of Transportation's October 3, 2025, Interim Final Rule (IFR) amending 49 CFR Part 26.*

### 1. When did the new rule take effect?

The Interim Final Rule (IFR) became effective on October 3, 2025. It amended 49 CFR Part 26 and requires nationwide reevaluation of all certified DBEs.

### 2. Why is Caltrans requiring DBEs to go through reevaluation?

The IFR eliminates race- and gender-based presumptions and requires individualized determinations of social and economic disadvantages. California must implement this rule to preserve federal transportation funding.

### 3. Who must participate in the reevaluation?

All firms certified as DBEs in California as of October 3, 2025, must participate in the reevaluation process.

### 4. Does this mean I automatically lose my certification?

No. Certification remains active during the reevaluation process. Only firms that do not meet the new standards after review may face denial or decertification.

### 5. What must I submit for reevaluation?

DBE owners must submit a Personal Narrative (PN), an updated Personal Net Worth (PNW) statement, and supporting financial documentation.

### 6. What is required in the Personal Narrative?

The narrative must establish disadvantages by a preponderance of the evidence and may not rely on race or gender. It should describe specific incidents of economic hardship, systemic barriers, or denied opportunities.

### 7. Do I need to submit a new Personal Net Worth statement? (Updated 03/26/2026)

Yes. Owners undergoing reevaluation must submit a current PNW statement (completed within 90 days) demonstrating compliance with federal economic disadvantage thresholds.

### 8. How long do I have to submit documentation? (Updated 03/26/2026)

Firms are provided with a 45-day submission window from the date of the official notification. If materials are incomplete, a 30-day curative period may be provided. You can still submit after this date, however, your application will be processed at a later date when the initial cohort received by April 16, 2026, is completed.

### 9. What happens if my submission is incomplete?

Caltrans will notify the firm and provide an opportunity to submit missing or clarifying documentation before a final decision is issued.

**10. How will Caltrans evaluate my application?**

Reevaluations follow a structured multi-level review process including analyst review, peer review (if needed), management review, and issuance of a written decision.

**11. What happens if I do not submit documentation?**

Firms that fail to submit required documentation may be marked inactive and may face decertification procedures.

**12. What happens if I am denied?**

Firms have appeal rights under 49 CFR §26.89. Appeals must be filed with USDOT within 45 days of denial.

**13. If I am recertified, does my anniversary date change?**

No. The certification anniversary remains the firm's original certification date.

**14. How does reevaluation affect current contracts? (Updated 03/26/2026)**

During reevaluation, DBE participation cannot be counted toward contract goals. Existing contracts executed prior to October 3, 2025, remain in effect. If a DBE firm on an existing contract is decertified during the reevaluation period, the prime contractor is required to seek Caltrans' approval for termination and substitution.

**15. When will DBE goal setting and participation counting resume?**

Recipients may not set contract goals or count DBE participation until the UCP completes the reevaluation process and notifies USDOT. Once authorized, goal setting and participation counting will resume. At this time, a definitive date cannot be determined.

**16. Is Caltrans offering guidance to firms during the reevaluation process?**

Yes. Caltrans provides guidance and informational resources to firms throughout the reevaluation process.

**17. Will Caltrans or another certifier help me write or edit my narrative?**

No. Caltrans' Supportive Services staff can:

- Explain what the rules generally require.
- Walk through checklists and worksheets.
- Answer process questions (what to submit, how to submit, deadlines).

They cannot:

- Draft, edit, or "wordsmith" your Personal Narrative.
- Tell you what incidents to include or leave out.
- Advise you on legal strategy or guarantee an approval.

If you want hands-on help with writing or strategy, you may choose to work with your own attorney, accountant, APEX Accelerator, Small Business Development Center (SBDC), or another independent advisor.

**18. What kind of support is available to help me understand the process?**

Support will be provided at a general, informational level. For example:

- Webinars and information sessions explaining the new requirements and timelines.
- Plain language checklists, worksheets, and guidance documents that summarize what you will be asked to submit.
- District small business liaisons and supportive services staff who can answer general questions about the process and point you to public resources.

**19. How will firms be notified about reevaluation?**

Firms will receive formal notification through the certification portal and/or email from their certifying agency with instructions for submitting documentation.

**20. What kind of proof should be submitted with a Personal Narrative?**

Firms should be prepared to provide documentation that supports the facts described in the Personal Narrative when such material is available and relevant.

**21. Do interstate DBE firms need to complete reevaluation in their jurisdiction of original certification (JOC) before seeking certification in California? (added 03/26/2026)**

Yes. The firm must first complete reevaluation and be recertified by the UCP in its jurisdiction of original certification. If the firm is recertified there, it must then reapply for interstate certification in California and any other jurisdiction where it wants to remain certified.

**22. If a firm is not recertified, can it apply again later? (added 03/26/2026)**

Yes. A firm that is not recertified may reapply if it later believes it meets the DBE eligibility requirements. In California, the waiting period to reapply is 12 months, and any reapplication must comply with the revised certification standards under the IFR.

**23. When will the portal reopen for new DBE applications? (added 03/26/2026)**

Firms should monitor official agency communications for notice of when the portal will reopen and be prepared to submit all required application materials under the revised standards.

**24. Do prime contractors still need to honor DBE commitments on existing contracts? (added 03/26/2026)**

Yes, it is the obligation of prime contractors to honor the DBE subcontractor commitments made when they were awarded the contract. DBE subcontractors on executed contracts must continue performing their committed work unless the recipient approves a termination or reduction in writing for good cause.

**25. Can a DBE subcontractor or consultant be removed or have its work reduced on an existing contract award prior to October 3, 2025? (added 03/26/2026)**

A prime contractor may not remove the DBE or reduce its work simply to self-perform the work or replace the firm with a lower cost subcontractor. The reevaluation period and the suspension of goal counting do not constitute good cause to remove DBEs.

**26. What happens if a DBE firm working on a current contract is not recertified? (added 03/26/2026)**

If a DBE firm working on a current contract is not recertified, it can be terminated for good cause. Good cause for termination exists if a DBE loses its DBE certification after the reevaluation process described in § 26.111 is completed because it is ineligible to receive DBE credit for the type of work required. A prime contractor who terminates a DBE or a portion of a DBE's work in compliance with the termination procedures in 49 CFR § 26.53(f) is not required to attempt to include additional DBE participation because the DBE goal provisions of the contract cannot be given effect under the IFR.

**27. Will DBE credit for recertified firms be counted retroactively back to October 3, 2025? (added 03/26/2026)**

No. DBE credit for recertified firms is not currently being applied retroactively to October 3, 2025. Stakeholders should look for formal agency guidance for any updates regarding retroactive crediting policies.

**28. Will the CUCP directory show which firms have completed reevaluation? (added 03/26/2026)**

Yes. The CUCP Directory will be updated to reflect firms that have successfully completed the reevaluation process. Firms should refer to the official directory and agency communications for the most current certification status information.

**29. Do I still need to submit an annual Declaration of Eligibility (DOE) during reevaluation? (added 04/16/2026)**

No. During reevaluation, firms must submit the Personal Narrative, the Personal Net Worth Statement, and all required supporting documentation. A separate annual Declaration of Eligibility is not required as part of the reevaluation submission.

**30. What supporting documentation do I need to submit with the Personal Net Worth statement, and how current must it be? (added 04/16/2026)**

Firms must submit sufficient documentation to verify the information reported in the Personal Net Worth Statement. Examples may include recent federal tax returns; bank or brokerage statements; deeds, appraisals, mortgage statements, or property tax statements for real property; vehicle titles or loan statements; and statements or records supporting reported liabilities such as credit card balances, loans, or other debts. The Personal Net Worth Statement and supporting documentation must be current at the time of submission.

**31. Can I submit only the Personal Narrative first and provide the Personal Net Worth Statement and other documents later? (added 04/16/2026)**

No. Firms are required to submit the Personal Narrative, the Personal Net Worth Statement, and all required supporting documentation together for a complete reevaluation submission. A partial submission may be treated as incomplete and handled through the curative process.

**32. May my Personal Narrative include barriers that occurred before I formed my business, and is there a required number of experiences I must include? (added 04/16/2026)**

Yes. Firms may include barriers that occurred before the business was formed, including barriers related to education, employment, or entry into business, if they explain how those experiences affected the firm's ability to compete and grow. No. There is no required minimum number of experiences. Firms must focus on relevant examples and clearly explain the business impact of those barriers.

**33. What is the difference between a barrier and a normal business inconvenience? (added 04/16/2026)**

A barrier is a persistent or disproportionate obstacle that limits access to capital, opportunities, growth, or market participation. A normal business inconvenience is an ordinary condition that similarly situated firms commonly face in the market. Firms must describe specific barriers and explain how those barriers affected the firm's business operations, competitiveness, or ability to grow.

**34. Are new DBE applications currently paused, and when will they reopen? (added 04/16/2026)**

Yes. The immediate priority is the reevaluation of currently certified firms, and new DBE applications are currently paused. New applications are expected to resume after the reevaluation phase is completed. Because timing may change, please check the Caltrans DBE Reevaluation webpage for the most current updates.

**35. If my renewal or anniversary date occurs during the reevaluation period, do I need to complete a separate renewal? (added 04/16/2026)**

No. If your renewal or anniversary date occurs during the reevaluation period, you do not need to complete a separate renewal. Firms must proceed through the reevaluation process, which satisfies that requirement.

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**Resources, Guidance & Support:**

**DBE Reevaluation Email:** [DBE.Reevaluation@dot.ca.gov](mailto:DBE.Reevaluation@dot.ca.gov)

**DBE Reevaluation Informational Webpage:**  
[dot.ca.gov/programs/civil-rights/dbe-reevaluation](https://dot.ca.gov/programs/civil-rights/dbe-reevaluation)

**Educational Webinar Series:**

**Questions & Answers sessions** – April 1st, 2nd, 6th, & 14th, 2026

\*Recorded webinars and additional Q&A materials are posted on our website after each live session.

\*Available Recorded Webinars:

**Understanding New DBE Requirements** – from March 10, 2026

**Guidance for Personal Narrative Webinar** – from March 17, 2026

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